



# BINGGRAE SUSTAINABILITY REPORT

2023 BINGGRAE Sustainability Report



# ABOUT THIS REPORT

## Overview

We publish our annual sustainability report to inform and communicate with stakeholders about our goals and achievements regarding 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) 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 2022 to December 2022. It also includes certain important current issues up to the end of April 2022 to deepen its stakeholder's 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. ("auditor"), an independent third-party verification agency, to ensure the report's credibility. The third-party assurance statement by the auditor can be found on pages 104 to 105.

## Inquiries on this Report

This report can be downloaded from the official Binggrae website(<https://www.bing.co.kr/>). For additional information, please send any inquiries to the contact information as follows.



## 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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# Binggrae





## CEO MESSAGE



CEO **Chang-won Jeon**

**Dear esteemed stakeholders! I am Chang-won Jeon, the CEO of Binggrae.**

It marks a meaningful occasion to publish the sustainability report again this year.

As a representative leading food company S. Korea, Binggrae continues our innovation and development efforts throughout our 50-year history to grow as a company whose brands are beloved at home and globally abroad. Moreover, Binggrae has been fulfilling social responsibilities with high praise for pursuing sustainable management.

Sustainability management refers to the company pursuing sustainable growth in environmental, social, economic domains, and fulfilling responsibilities to achieve business outcomes for the long term. This report clarifies the ambition and philosophy of Binggrae toward sustainability management, and includes detailed policies and performances for realizing sustainability management.

Since 2018, Binggrae has put sustainability management into practice by pursuing sustainable growth in three fields of environmental management, social responsibility management and corporate governance. Accordingly, our sustainable production process was adopted, and eco-friendly products were developed with environmental protection and energy conservation in mind.

Based on communication and cooperation with customers, we value customers' health in developing our products and applying strict quality control to produce safe products.

In terms of social value creation, we continue the social contribution activities in various areas including the environment, education, culture and community development, etc. to grow together with local communities. Notably, there are donations in support of the socially marginalized and low-income segment every year.

Sustainability management is a significant value for our business success, as well as the Earth's sustainable future, which affects us all.

Binggrae will maintain our focus on sustainable management principles and make every effort to develop on a higher level.

Through this report's disclosure of Binggrae's efforts and results for sustainability management, we aim to build a cooperating consensus with all stakeholders and a foundation for a better future.

Thank you.

## 2022 HIGHLIGHT



### Grade 'A' in KCGS ESG Evaluation for 4 Consecutive Years Grade 'AA' in Sustainvest ESG Evaluation for 3 Consecutive Years

Binggrae acquired the integrated 'A' Grade in the 2022 ESG Evaluation announced by KCGS (Korea Institute of Corporate Governance & Sustainability) and Grade 'AA' in the Comprehensive ESG Evaluation by Sustainvest.

This corresponds to the top 15.6% or higher level among listed companies subject to evaluation, and especially for KCGS, Grade 'A' has been maintained for four consecutive years from 2019. Moreover, Binggrae earned the top 'AA' grade for three consecutive years in the Sustainvest Best ESG Evaluation, which represents a milestone of maintaining high marks for many years.

The result of efforts is attributed to all employees taking an active interest to improve the environmental, social and governance fields for many years. Binggrae will continue to devote efforts in earnest to achieve recognition from stakeholders as a company built on their trust and affinity.



KCGS  
Overall Grade **A**

Top **15.6%**

Sustainvest  
Comprehensive  
Evaluation **AA**

Top **7.5%**



### Best Practices of Binggrae Shared through the COP27

In the COP27 held in Sharm el-Sheikh (Egypt), Binggrae made a presentation on the theme of 'Best Practices Sharing on GHG Reduction Method and Quantification in Living Areas'.

Binggrae shared the case involving the campaign to reduce emissions and enable resource circulation through the improvement of product packaging and production processes, and notably, Binggrae introduced in detail the exemplary case of converting to eco-friendly packages on the main brands of Binggrae such as Banana-Flavored Milk and Yoplait, etc.

Binggrae will continue our sustainable and practical efforts and fulfill our responsibilities to respond to climate change through eco-friendly activities integrated with business practices.



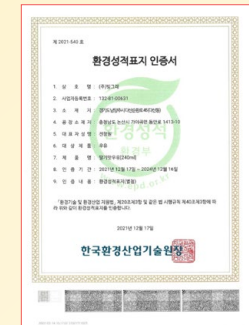
## 6,588tCO<sub>2</sub>eq Annual Reduction of Greenhouse Gas (GHG) Emissions

Approximately 6,588tCO<sub>2</sub>eq of GHG emissions was reduced by recycling raw materials on the product packaging, and through material improvement and decrease in plastic weight. A GHG reduction of 6,588tCO<sub>2</sub>eq is equal to planting approximately 53,000 pine trees, according to the 'carbon tree calculator' provided by the Korea Forest Service. Binggrae will continue earnest efforts to develop eco-friendly technologies to reduce GHG emissions.



## EPD (Environmental Product Declaration) Certification Acquired for Main Products

The life cycle of main brands such as Banana-Flavored Milk, Strawberry-Flavored Milk and Together, etc. were analyzed in a bid to acquire the EPD (Environmental Product Declaration) Certification for indicating the environmental impact throughout the overall processes from raw material collection to disposal. Environmental impact of Binggrae's products is disclosed transparently according to domestic and foreign standards, and environmental performance is evaluated and improved from the product development stage.



## A Café La Simply Awarded the Top Prize at the 2022 Red Dot Awards

The Red Dot Design Awards is a prestige award as one of the world's top-three design competitions alongside the if Design Awards and IDEA Design Awards, with creative and innovative products being selected and awarded annually.

A Café La Simply is a Korean beverage brand that uses shrink labels for convenient recycling, and even without a label, its brand identity emphasizes smooth curves and angles aligned with eco-friendly trends. As a result, it was awarded the top prize award in recognition of its excellence and functionality at the 2022 Red Dot Awards held in August.



## Support for the Korean Red Cross since 2013

Since 2013, Binggrae has sponsored the Korean Red Cross by donating ice cream and dairy products, or by donating some of the proceeds from product sales. In 2020, Binggrae donated KRW 300 million to the 'Hope Windmill' Project run by the Korean Red Cross, and also donated KRW 300 million in 2021. Donations were supported to the families in crisis due to illness, unemployment, or accidents, etc. In 2022, rice and supplies equivalent to KRW 300 million were donated to people susceptible to disasters, including the victims affected by forest fires in Gyeongbuk and Gangwon regions.



## Scholarship Projects to Descendants of National Patriots & Veterans

In 2019, the Binggrae Public Welfare Foundation signed an agreement with the National Police Agency to provide scholarship grants to the descendants of independence activists and patriots associated with the police, and from 2021, the scholarship project target group was expanded to the children of police officers who gave their lives in duty to increase the scholarship amount. In 2022, KRW 40 million of scholarship was provided to a total of 26 students, including 13 descendants of independent activists and patriots, and 13 children of police officers who sacrificed their lives in duty, etc.



## Activities to Promote and Develop the Spirit of Independence Movement and National Culture

In 2011, Binggrae established the non-profit public corporation of Binggrae Public Welfare Foundation in order to develop human talents contributing to development of the country and people, and to support the academic research activities on leading the future through the corporate scholarship project for descendants of independence activists, patriots and veterans.

Moreover, sponsorship has been provided to organizations promoting independence activists and patriots, including the Lee Bong Chang Memorial Association and organizations collecting and preserving basic data on Korean studies. Through these activities, Binggrae contributes to discovering, promoting and developing the spirit of independence and patriotism, and traditions of the national culture.

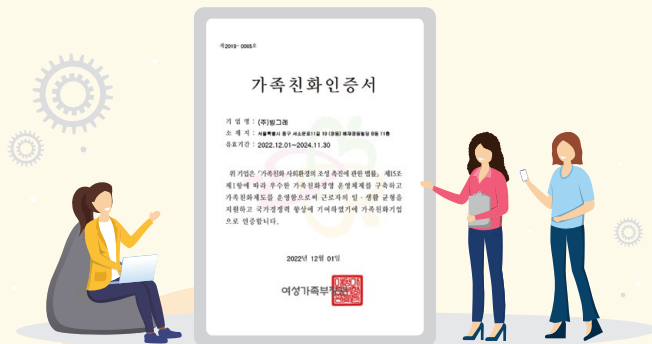




## Family-Friendly Certification Acquired

Binggrae has established the Smart Work System to create a happy and pleasant workplace environment, and family-friendly systems, such as paternity leave, shortened work hours during childcare periods and operates infertility treatment holiday, etc. on the full scale. These efforts were accredited by acquiring the Family-Friendly Certification from the Ministry of Gender Equality & Family.

Based on the belief that the happiness of our employees and families is directly connected to business performance, Binggrae will continue to discover and operate various systems for our employees to fulfill their roles as a family-friendly company.



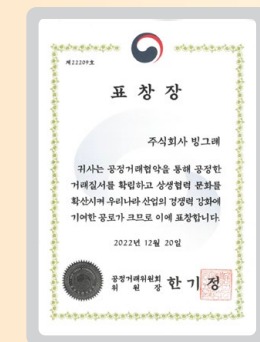
## International Standard Certification Acquired for the Compliance Management System(ISO373301)

Binggrae has been accredited for practicing corporate ethics and compliance management with the International Standard Certification attributed to the Compliance Management System. We perform periodic ethical management and self-diagnosis on compliance subject to employees companywide, and these are used to enhance employees' awareness of ethics and compliance and make a preemptive response to compliance management and legal violation risks. Based on this certification, Binggrae will increase the level of ethical management, and compliance management will be developed on a global scale.

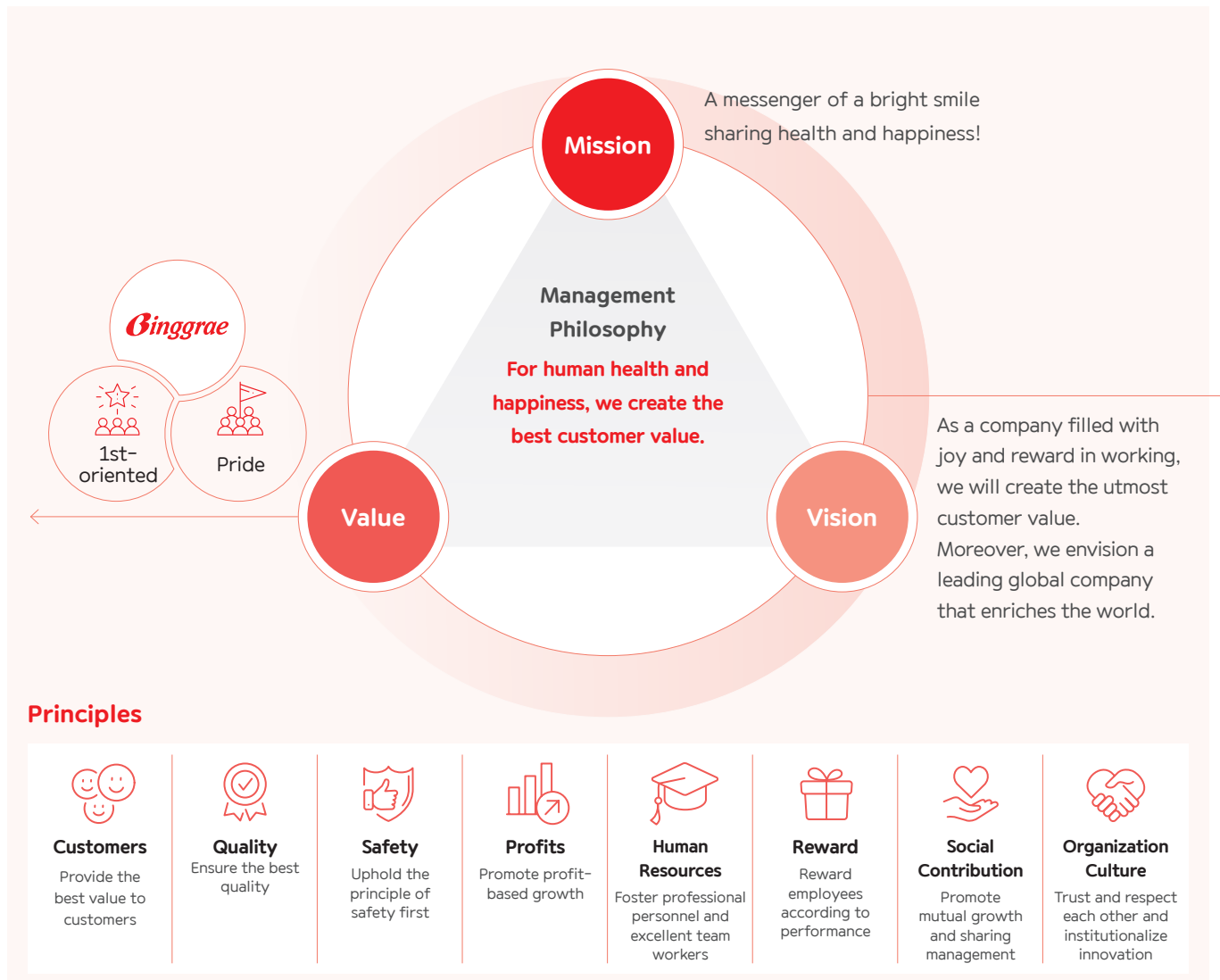


## Implementation of Fair Trade Agreement Accredited as the 'Best Performer' for 2 Consecutive Years

By performing active preventive activities for fair trade such as autonomous inspections on fair trade through the fair trade checklist, Binggrae was accredited as the 'Best Performer' for two consecutive years in the assessment of fair trade agreement performance by the Fair Trade Commission in 2022.



# CORPORATE OVERVIEW



## Ideology



### “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 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 excellent products that contribute to human happiness. We hope to share Dosan’s dream.



## 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.

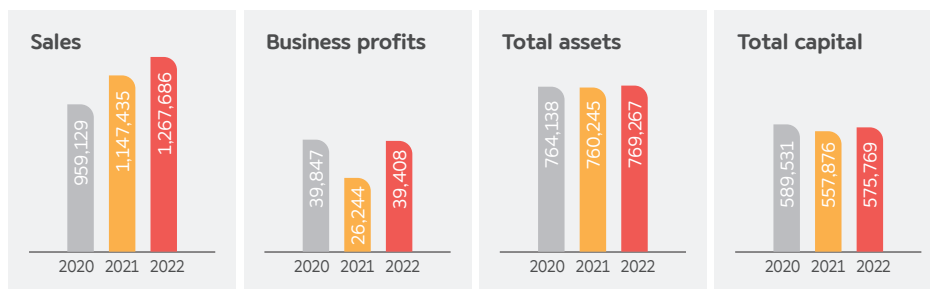
Over a period of 50 years, we have contributed to advancing Korea's food industry by rising to countless challenges and pursuing innovation. We have enjoyed excellent customer support for its popular, unparalleled products that everyone wants, including 'Banana Flavored Milk', 'Together Ice Cream', 'Yoplait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



<b>Corporate title</b>	Binggrae Co., Ltd.
<b>Foundation date</b>	September 13, 1967
<b>CEO</b>	Chang-won Jeon
<b>Location of Head Office</b>	45, Dasansunhwan-ro, Namyangju-si, Gyeonggi-do
<b>Major business</b>	Food manufacturing and sales business
<b>No. of employees</b>	1,816 (As of December 31, 2022)

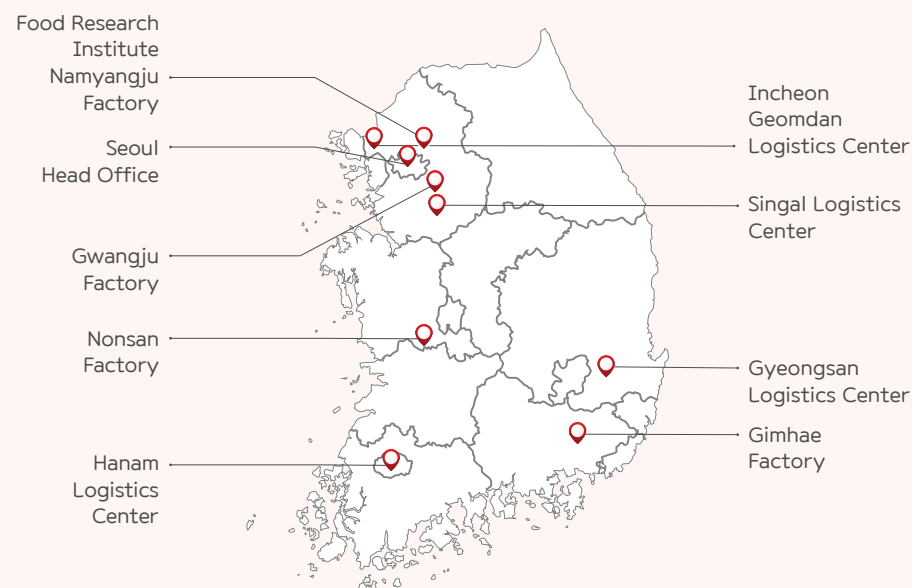
## Financial Information

(Unit : KRW million)



## 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 2022, there are 4 logistics centers, 28 branches and 33 business offices.



Business Site	Location	Business Site	Location
Head Office	Jung-gu, Seoul	Food Research Institute	Namyangju City, Gyeonggi Province
Namyangju Factory	Namyangju City, Gyeonggi Province	Incheon Geomdan Logistics Center	Seo-gu, Incheon
Gimhae Factory	Gimhae City, Gyeongsangnam Province	Singal Logistics Center	Yongin City, Gyeonggi Province
Gwangju Factory	Gwangju City, Gyeonggi Province	Gyeongsan Logistics Center	Gyeongsan City, Gyeongsangbuk Province
Nonsan Factory	Nonsan City, Chungcheongnam Province	Hanam Logistics Center	Seo-gu, Gwangju Metropolitan City

## Global Partnerships

### 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. In the U.S. and Canada, our brand Melona has been launched at local supermarket chains, such as Costco and Walmart, etc. to fascinate people’s tastes globally. The globalization of K-ice cream has focused not only in the Asia regional hub markets of Hong Kong and Singapore, but also in Philippines, Vietnam and Thailand.

Moreover, Banana-Flavored Milk is exported in Tetra Pak form with extended expiration dates, and efforts such as

development of various flavors according to local tastes, and halal certifications are held continuously in a bid to capture the interests and affinity of global consumers in China, Taiwan, Philippines, Malaysia and Indonesia, etc. Based on our track record of success in export-led market entry, Binggrae has incorporated and supports local sales affiliates in China (2014), USA (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.

### Sales by continent

(Unit : KRW million)

America	East Asia	Southeast Asia
<b>68,914</b>	<b>37,254</b>	<b>30,002</b>
North, Central Asia	Oceania	Others
<b>4,369</b>	<b>2,376</b>	<b>195</b>

The whole **143,110**

\* Sales by continent :  
Sales for products  
exported to overseas





# 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".



2000-  
2019

- Nov. 2019 Acquired the Family-friendly certification (from the KMR)
- Sept. 2019 Established BC F&B Vietnam Co., Ltd
- Jun. 2019 Launched the TFT for a health-oriented integrated brand.
- May 2019 Conducted the scholarship project for the descendants of persons of distinguished service to national independence.
- 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).
- Jun. 2017 Won the Excellent Taste Award for ice cream at the 2017 Superior Taste Awards.
- Oct. 2016 Distributed the Korean font "Binggrae" free of charge.
- Jul. 2016 Established BC F&B USA Corp.
- Feb. 2016 "TOGETHER" acquired the "K-MILK" certification (which certifies the utilization of Korean milk)
- Nov. 2015 Awarded the Grand Prize in food and milk products at the Korea Social Media Awards.
- Aug. 2014 Established BC F&B Shanghai Co., Ltd.
- Mar. 2014 Awarded the Best Export Tower of Agricultural and Fishery Products in Gyeongsangnam Province.
- Mar. 2010 Awarded the Bronze Tower Order of Industrial Service Merit (on the Day of the Taxpayer).
- Nov. 2009 Awarded the Grand Prize for transparent business administration (by the Korea Accounting Information Association)
- Mar. 2009 Won the Grand Prize for social volunteer services by the Korea Academy of Business Ethics (Business Institute of New Industry).
- Dec. 2008 Awarded the certificate for a corporation with excellent labor-management relations (by the Minister of Labor).
- Mar. 2008 Awarded the Grand Prize for corporate ethics management (by the Korea Academy of Business Ethics)
- Dec. 2004 Awarded the Grand Prize for value management at The Management Grand Awards by Korea Management Association Consulting (KMAC).
- May 2002 Held the vision declaration ceremony for the new millennium.



2020-  
2022

- Oct. 2020 Took over HAITAI Ice Cream Co., Ltd.
- Dec. 2020 Won the Presidential Citation from the Government Awards for the promotion of eco-friendly technology and consumption.
- May 2021 Launched the protein brand "The: DANBAEK".
- 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).
- Apr. 2022 "Yoplait" top-ranked for 16 consecutive years and "Banana Flavored Milk" top-ranked for 15 consecutive years in terms of K-BPI Brand Power for the Korean Industry.
- Apr. 2022 Yoplait top-ranked in the "Cup-type Yogurt" category of the Korea Purchase Ease Index (KPEI) for 6 consecutive years.
- May 2022 Acquired the International Standard Certification for the compliance management system (KCCA).
- Oct. 2022 Top-ranked in the ice cream category of the KCSI (Korean Customer Satisfaction Index) for 15 consecutive years.
- Nov. 2022 Acquired Grade 'AA' in the ESG Evaluation for 3 consecutive years (Sustinvest).
- Nov. 2022 Acquired Grade 'A' in the ESG Evaluation for 4 consecutive years.
- Dec. 2022 Acquired the Family-Friendly Certification.



# 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.



Milk & Cheese



Protein Products/Health Functional Food





Coffee & Juice



Fermented Milk



Snack & Dessert



# 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.

### 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

- Delicious taste for all men & women.
- Storage at room temperature is possible in the long term for drinking conveniently anytime, anywhere.

Release date | December 2021



### Healthy cheese with a rich taste

- High-protein & high-calcium string cheese with 30% protein content!
- Pizza mozzarella cheese for convenient toppings & even 100% pure mozzarella string cheese with a chewy texture & savory flavor!

Release date | May 2019



Release date  
June 1974

# FERMENTED MILK

## Yoplait, Korea's No. 1 Fermented milk product

Since Korea's first cup-type yogurt, 'Yoplait Original' was launched in 1983, the product has been pioneering and leading the market as the major fermented milk brand, and has been savored as a healthy and delicious snack by consumers for over 40 years.

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

### 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 26 years of double capsule since!

Lactobacillus has a thousand-fold higher survival rate in the stomach and protects against stomach acid and bile reflux than in Bifidus powdered form.

Release date | April 1997



### From Intestinal Health to Muscular Health!

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



Release date  
January 1983

# COFFEE & JUICE

## A Café La, a rich, authentic coffee!

A Café La is a Ready to Drink coffee brand. Customized brewing tailors carefully selected high-quality coffee beans in order to deliver the authentic taste and aroma of coffee.

### 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 Bingrae's new sparkling water brand!  
#fizzy water, #fruity water

Release date | March 2020



Release date  
May 2008

# 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)

### 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



### With its Unique Carp Fish Shape, Korea's No. 1 Ice Cream, Samanco!

With its fun carp fish shape, the rich taste & texture from the combination of various ingredients has captured the taste buds of everyone anytime, anywhere.

Release date | November 1991





# SNACK & DESSERT

## For over 30 years, the beloved national snack, Crab Chips!

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.

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



Binggrae Dessert Brand, D.D.D

As the dessert brand released by Binggrae, newly distinct and delicious bakery snacks are introduced.

Release date | November 2022



Release date  
September 1986



# PROTEIN PRODUCTS/ HEALTH FUNCTIONAL FOOD

## 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.

### VIVACITY

VIVACITY is a health functional food brand based on the dual core value of 'Tasty & Healthy'. Be healthy through the delicious food in various forms, including powder, jelly and liquid, etc.

Release date | June 2019



### Dr. Capsule Micro Capsule Lactobacillus

To enable lactobacillus to reach the 'stomach alive', micro-capsule technology was applied to protect from strong gastric acid. Maintain your intestinal health by taking one capsule a day.

Release date | August 2022



### Zinc Water

One bottle a day, like water! Healthy beverage designed to supplement that meets 100% daily recommended nutritional intake for zinc required for normal immune functions

Release date | June 2022



Release date  
May 2021

# 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.

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.

### 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



# SUSTAINABLE MANAGEMENT VISION AND 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.

**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.

Sustainable management that all our employees can practice naturally in their work every day.

## ESG Objectives & Strategies

**E** Environment



### Leading the effort to preserve the global environment For Future generations **Eco-friendly**

- 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.

**S** Social



### Creating social value **Shared 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.

**G** Governance

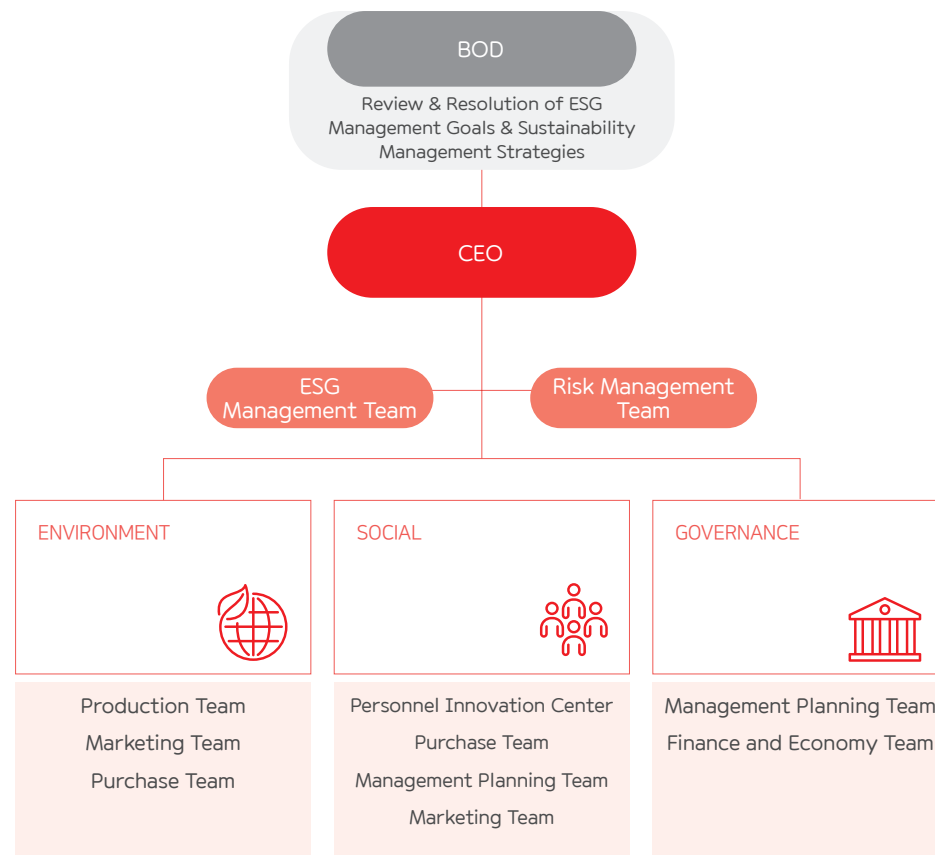


### Realizing transparent governance that meets the global standard **Global Integrity**

- 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

Since 2019, Binggrae has acquired the Integrated 'A' Grade from KCGS (Korea Institute of Corporate Governance & Sustainability) for four consecutive years.







ESG performances are created by establishing the activity system for each field and monitoring through systematic improvements.

		2019	2020	2021	2022
ESG	Overall Rating	A	A	A	A
E	Environment	B+	B+	A	A
S	Social	A	A+	A+	A
G	Governance	A	A	A	B+



# STAKEHOLDER COMMUNICATION

## Stakeholder Engagement

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

# MATERIALITY ASSESSMENT

## Overview of Double Materiality Assessment

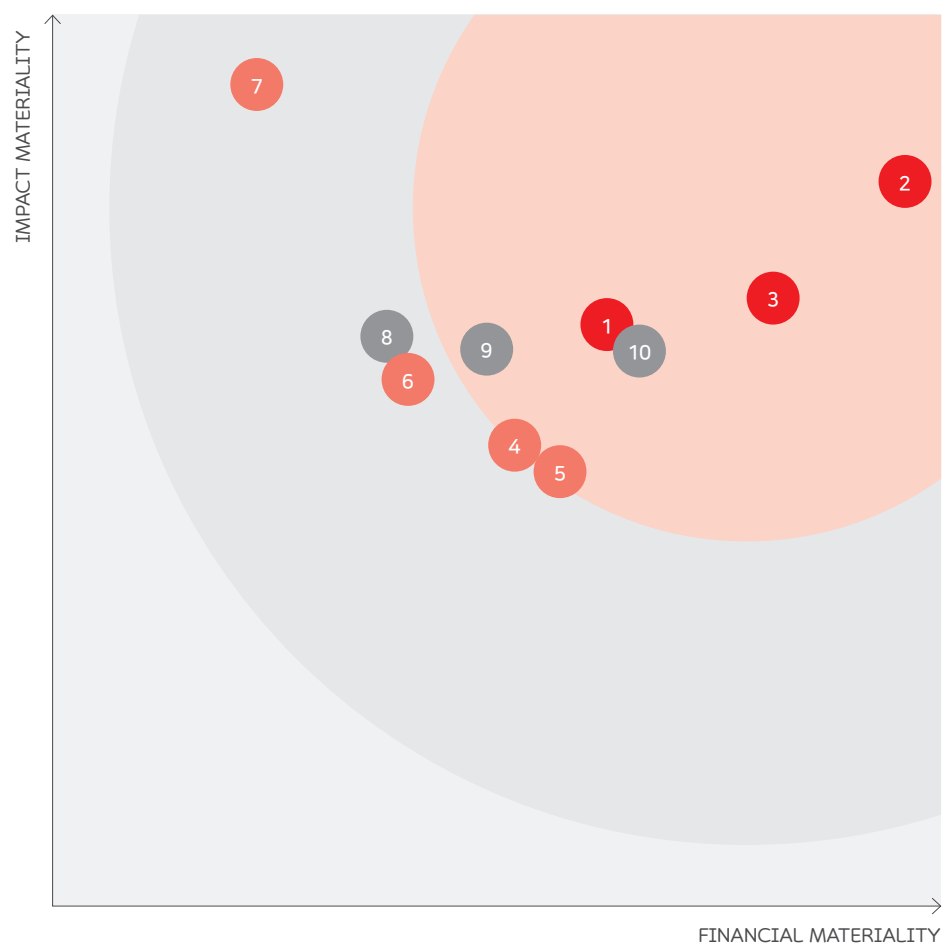
To identify the sustainability issues related to the business and reflect key management strategies, Binggrae has performed a double materiality assessment by considering all impacts from social, environmental and financial perspectives. Moreover, issue pool was established through internal and external status reviews, analysis of management strategies, global standard guidelines, and impact assessment for internal and external stakeholders. Accordingly, the order of priority for ESG issues is derived in reporting the goals and performances of the activities in detail in this report, and efforts are continued to fulfill the right-to-know of stakeholders.

### Procedure of Assessment



## Assessment Result

The ten key issues are provided in a matrix diagram to show their financial, social & environmental impacts and materiality, with main activities and performances cited in the report.



Fields	Key Issues	Response Activities	Impact Level		PAGE
			Financial Impacts	Social & Environmental Impacts	
Environment	❶ Establishing the Environmental Management System	Operation of the environmental strategy & system, environmental impact assessment, etc.	M	H	29-31
	❷ Efforts for Response to Climate Change	Climate change risk management & response activities, etc.	H	H	33-36
	❸ Sustainable Resource Use	Development of eco-friendly packages, resource circulation performance management of the overall product manufacturing process, etc.	H	H	40-43
Social	❹ Workplace Safety & Healthcare	Training on response to workplace safety & healthcare of employees, etc.	L	M	58-60
	❺ Human Rights Impact Assessment & Management	Human rights impact assessment & monitoring, performance of improvement activities, etc.	L	M	62-65
	❻ Protecting Customer Health & Safety	Development of healthy food brands, more significant investments in high-quality products, etc.	M	M	72-73
	❼ Increase in Customer Satisfaction Efforts	Performance of customer participatory communication, product improvements by reflecting customer feedback, etc.	H	L	67-69
Governance	❽ Strengthening Transparency & Expertise in Governance	Securement of independence & expertise on the Board of Directors (BOD) for operations, increase in efficiency of BOD operations, etc.	M	L	82-85
	❾ Strengthening Ethical/Anti-corruption Management Activities	Certification of compliance management system, operation of ethical management implementation system, etc.	M	M	88-90
	❿ Establishing Fair Trade	Conclusion of fair trade agreement, compliance with fair trade laws, etc.	M	H	91-93



# 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.

29 ENVIRONMENTAL MANAGEMENT / 33 RESPOND TO CLIMATE CHANGE

37 ECO-FRIENDLY SUPPLY CHAIN MANAGEMENT / 40 CIRCULAR ECONOMY

47 CONSTRUCTION OF ECO-FRIENDLY BUSINESS



## Main Performances in 2022



KRW **215.28** hundred million

Practice of green purchasing



**6,588** tCO<sub>2</sub>eq

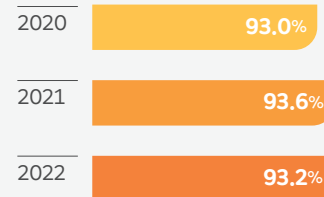
GHG (greenhouse gas) reduction performance by packaging improvements



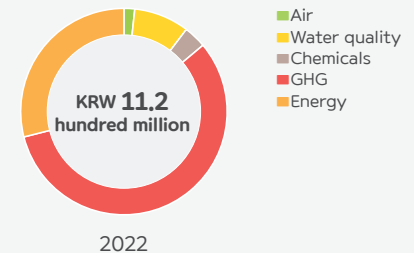
**7,146** hours

Environmental training hours completed by employees

## Recycling of wastes



## Investment in building an eco-friendly business





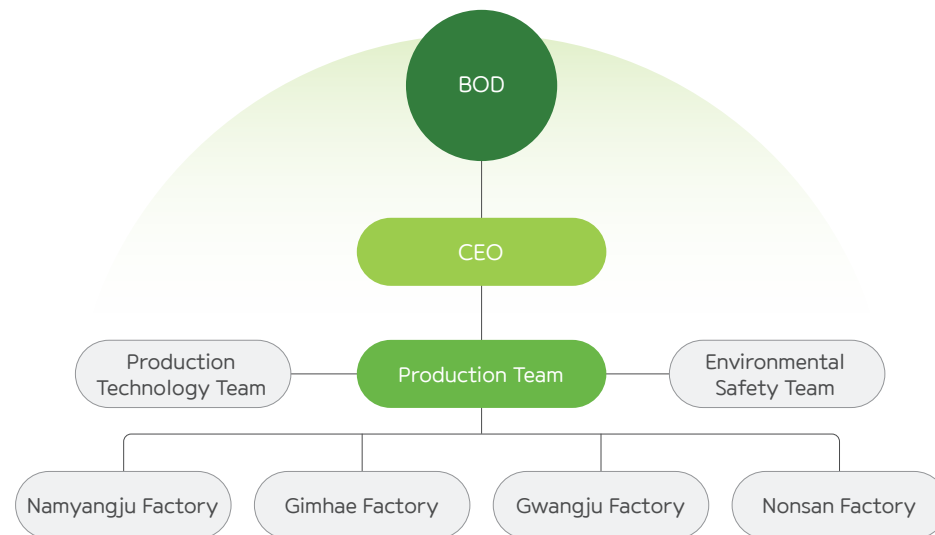
# ENVIRONMENTAL MANAGEMENT

Binggrae operates the environmental management system to minimize its impact on the environment throughout the overall process of establishing a clean and safe workplace, manufacturing the products, and until delivering the products to consumers.



## Environmental Promotion Organization

A dedicated environmental management group is operated to systematically implement environmental management, and respond quickly to the requirements of environmental management. Internal and external environmental changes are responded actively dealt with through close communication between the Board of Directors, management, manufacturing site and responsible personnel.



## Environmental Management Policies (ISO14001)

We are committed to minimizing potential environmental impacts throughout our business activities and implementing environmental management practices across the organization, based on an environmental management policy that serves as the foundation of our environmental management efforts.

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

1

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

2

Environmental goals and detailed plans are established and implemented for continuous improvement, and implementation status is verified for stabilizing the environmental management system.

3

4

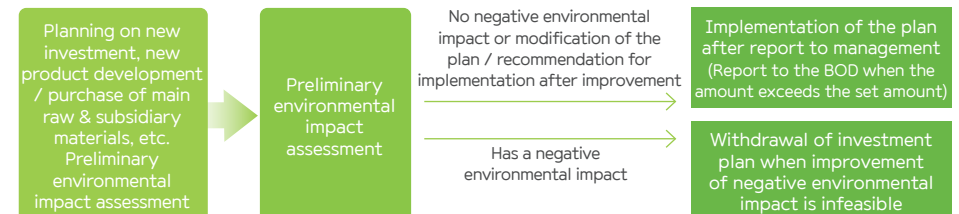
Select the prevention of environmental pollution as a key issue from the overall work process, observe the relevant national and international requirements, and fulfill our social responsibility.

CEO **Chang-won Jeon**









## Establishment of the Environmental Impact Assessment Process

Binggrae performs the environmental impact assessment according to ISO14001, concerning decision-making on management matters, such as new investment, new product development, purchase of main raw and subsidiary materials, etc.



## Mid- to Long Term Goal & Strategy of Environmental Management

Mid- to long-term environmental management goals and strategies of Binggrae until 2030 are shown below.

2050 Vision	Establishment of Business Foundation for NET ZERO					
2030 Vision	Achievement of Environmental Goals through Contribution to the Supply Chain & Community [Eco - Friendly]					
2030 Goal	 Greenhouse Gas (GHG)	 Energy	 Water	 Wastewater	 Waste	 Hazardous Chemicals / Biodiversity
	25% reduction in Greenhouse Gas (GHG) emission (Compared to 2022)	Active review of introduction of renewable energy	10% reduction in water unit (Compared to 2022)	10% reduction in wastewater unit (Compared to 2022)	① Zero landfill waste ② Reduction of food loss·disposal amount	① Minimization of environmental impact from all chemicals used ② Contribution to ecological restoration of forests/ivers in the community
2030 Promotion Strategies & Implementation Task	<b>[Business Site]</b> <ul style="list-style-type: none"> <li>Improving energy efficiency by introducing high-efficiency equipment</li> <li>Improving energy loss through facility investment in the major energy loss points</li> <li>Improving energy use management extended application of the FEMS (Factory Energy Management System)</li> </ul> <b>[Supply Chain · Distribution Network]</b> <ul style="list-style-type: none"> <li>Expanding GHG (Greenhouse Gas) management of key supply chain &amp; distribution network</li> </ul> ※ GHG goal can be changed according to the national policy		<b>[Business Site]</b> <ul style="list-style-type: none"> <li>Developing production process for reduction of water use</li> <li>Efficiency in water resources by reviewing the use of recycled water/ rainwater</li> <li>Minimizing pollutant discharge by introducing eco-friendly and sophisticated treatment system</li> </ul> <b>[Community]</b> <ul style="list-style-type: none"> <li>Purification of the community environment through the purification activities on the water sources and surrounding rivers</li> <li>Minimization of pollution from living and inconveniences by performing impact assessment of surroundings</li> </ul>		<b>[Business Site]</b> <ul style="list-style-type: none"> <li>Introducing sludge reduction facility</li> <li>Contributing to the virtuous cycle of waste through zero landfill processing</li> </ul> <b>[Production]</b> <ul style="list-style-type: none"> <li>Selecting materials possible for enabling virtuous cycle of the raw &amp; subsidiary materials·packing materials</li> </ul> <b>[Community]</b> <ul style="list-style-type: none"> <li>Increase in food donation to the community</li> </ul>	
					<b>[Business Site]</b> <ul style="list-style-type: none"> <li>Performance of preliminary environmental impact assessment of new substances</li> <li>Review of substitution to eco-friendly substances</li> <li>Investment in the systematization of daily records on substance use</li> </ul> <b>[Community]</b> <ul style="list-style-type: none"> <li>Contribution to restoration of ecosystem by donating trees to areas affected by forest fire</li> <li>Contribution to restoration of the aquatic life in rivers of the community</li> </ul>	

## Practice of the environmental strategy and communication process



### Board of Directors (BOD)

- Establishment of the environmental management promotion strategy & policy
- Approval of environmental management operation plan
- Management of annual environmental management performance

### Production Headquarters

- Establishment of environmental management operation plan
- Promotion of strategic tasks on environmental management and performance management
- Follow-up on changes in environmental regulations
- Regular performance of various environmental campaigns and internal & external practice activities
- Dedicated Team: Environmental Safety Team, Production Technology Team

## External Environmental Management Certification

In December 2021, Binggrae acquired the Environmental Management System (ISO14001) Certification to develop the environmental management competency of all members, and the risk response system is sophisticated. Moreover, EPD (Environmental Product Declaration) Certification is acquired for the leading brands of Banana Flavored Milk and Together, etc.

### Acquisition of Environment Management System Certification



### Acquisition of EPD (Environmental Product Declaration) Certification

2022



2021



## 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. Along with the general environmental training, professional training is also provided for each area, such as noise, air, water quality, hazardous chemicals and waste discharge, etc.

	Item	Unit	2020	2021	2022
Education	Total education time No. of employees	Hours	5,372	4,030	7,146
	Who attended education	No. of persons	1,717	1,685	2,138
	Hours of education per person	Hours	3.1	2.4	3.3

## Investment Performance on Eco-friendly Management

Binggrae invested in various areas to establish an eco-friendly workplace. 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.

### Investment to reduce air pollutants

\* Introduction of ozone equipment to reduce unpleasant odors.

307.6

42.7

35.0

2020

2021

2022

### Investment to manage hazardous chemicals

\* Supplementation and investment in hazardous chemical management facilities, etc.

226.9

89.9

100.6

2020

2021

2022

### Saving energy

\* Introduction of efficient refrigerators etc.

740.1

733.9

328.0

2020

2021

2022

### Investment to reduce water pollution

(Unit : KRW million)

\* Equipment improvement work on waste treatment plants, etc.

332.8

219.4

529.7

2020

2021

2022

### Reduction of GHG emissions

(Unit : KRW million)

\* Introduction of highly-efficient once-through boilers.

1,272.3

1,449.0

124.0

2020

2021

2022

### Total amount of investments

(Unit : KRW million)

2,879.7

2,534.9

1,117.2

2020

2021

2022

## Response Strategy for Compliance with Environmental Laws

Binggrae fully complies with the Clean Air Conservation Act, Water Environment Conservation Act, Framework Act on Resource Circulation, Wastes Control Act and Chemical Substances Control Act, etc. The Environmental Safety Team tasked with environmental laws performs research and preparation for response along with the responsible department for each environmental sector from the legislation stage.

Pre-announcement of legislation and monitoring of the changes in the national policy

Participation in relevant trainings / Community activities on the study of environmental laws  
→ Establishing analysis & a response strategy

Reporting to management and spreading response strategies to relevant departments

Occurrence of violations in environmental laws

Derivation of improvements through analysis of violations

Reporting to management and performance of improvement activities / Performance of training on personnel



Online study on response to environmental laws in 2022



## Violation of Environmental Laws

Violations of the environmental laws will be verified strictly and improved through earnest efforts at preventing a recurrence.

Classification	2020	2021	2022
No. of Violations of Environmental Laws	1	0	1
Details	Insufficient self-measurement frequency on the boiler	-	Non-performance of change report on the air discharge facility
Preemptive Measures against Recurrence	Reinforcing self-measurement cycle in the facility	-	Strengthening the facility inspection process

# RESPONSE TO CLIMATE CHANGE

We monitor the impact of climate change on human life and carry 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.



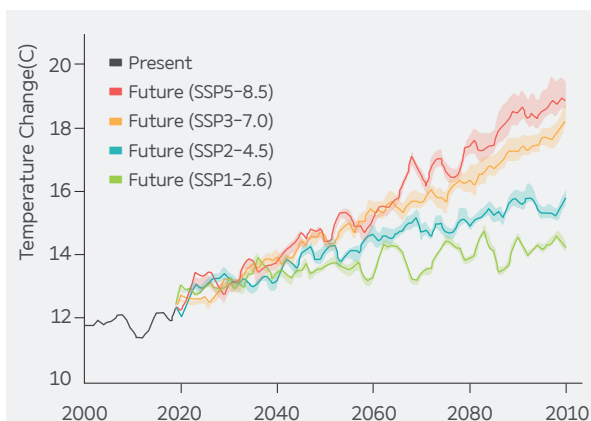
## Reflecting the performance of climate change management in performance evaluations

In Binggrae, activities on climate change issue and countermeasures are conducted by the Production Technology Team in the Production Headquarters, and the results are reported to senior management and the Board of Directors. The Production Technology Team sets the detailed goals related to climate change, and performances are managed. Moreover, discussions are made with relevant departments to strengthen the response system related to climate change.

## Analysis of the Climate Change Scenario & Establishment of Response Strategy

Based on the IPCC, Binggrae performs continuous monitoring of climate changes globally and in S. Korea and the results are reflected in the management strategy. Climate change data is analyzed, and the risks and opportunities that can have impact on the company are reviewed for response measures in a full-fledged bid to establish our climate change strategy.

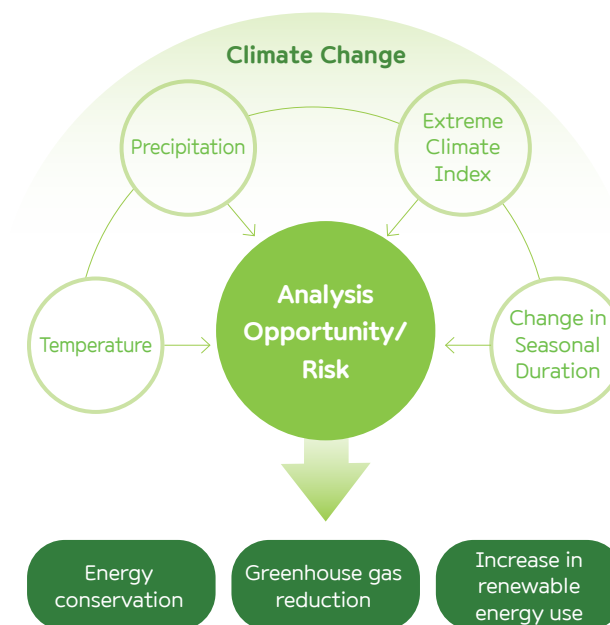
### Forecast on the Annual Average Temperature in S. Korea



Current change in annual average temperature (°C) of S. Korea in 2000~2100 compared to the present (2000~2019). The solid line refers to the ensemble averaged value, while the shaded section indicates the category of 5 model ensembles.






### Scenario per SSP

Type	Meaning
SSP1-2.6	Minimization of fossil fuel use from technology development on renewable energy and eco-friendly and sustainable economic growth is assumed.
SSP2-4.5	An intermediate stage of climate change mitigation and socio-economic development level is assumed.
SSP3-7.0	Social structure vulnerable to climate change due to being passive on climate change mitigation policy and delayed in technological development is assumed.
SSP5-8.5	Focused on expedited industrial technology development technology with high fossil fuel consumption, and an increase in indiscriminate development, primarily in key cities are assumed.



## Details of Risks & Opportunities According to the Scenario Analysis of Climate Change

When analyzing the risks and opportunities attributed to the impact of climate change on management, Binggrae distinguishes the urgency, materiality, and risks and opportunities with close interaction to the business lines of Binggrae to be reflected in our strategy. Based on the analysis, renewable energy investment and maintenance cost, development expenses from packing material weight reduction, and equipment restoration cost due to accidents and disasters, etc., are deemed as major risks, while an increase in eco-friendly products and expansion of new eco-friendly business lines, etc. were verified as new major opportunities. Binggrae will continue to implement optimal climate change risk and opportunity analyses to reduce with consistency and to expand opportunities to be seized.

						
Factor		Factor	Risk	Opportunity	Financial Impact	Response Strategy
Transition Risk Factor	Policy	<ul style="list-style-type: none"> <li>Domestic &amp; foreign carbon &amp; plastic regulations reinforced</li> </ul>	<ul style="list-style-type: none"> <li>Carbon emission increase linked to increase in production;</li> <li>Plastic usage increase linked to increase in sales</li> </ul>	<ul style="list-style-type: none"> <li>Response to regulations is used as the driving force for a systematic &amp; quick transition to an eco-friendly company;</li> <li>Overcoming export regulations</li> </ul>	<ul style="list-style-type: none"> <li>Increase in costs due to response to regulations (investment in carbon reduction equipment, etc.)</li> <li>Increase in production cost</li> </ul>	<ul style="list-style-type: none"> <li>Trial-and-error are minimized using preemptive regulatory analysis &amp; preparation and implemented in the early stage</li> <li>Systematizing derivation and implementing ideas by forming an internal taskforce team</li> <li>Participation in government-funded projects to reduce carbon emissions</li> </ul>
	Technology	<ul style="list-style-type: none"> <li>Investment in eco-friendly equipment &amp; technological development</li> <li>Continuous discovery/development of eco-friendly raw &amp; subsidiary materials</li> </ul>	<ul style="list-style-type: none"> <li>Increase in inputted resources (manpower, time, and expenses) for eco-friendly equipment &amp; technological development</li> </ul>	<ul style="list-style-type: none"> <li>Establishing an eco-friendly corporate image aligning with the expectations of the market, and increase in sales</li> </ul>	<ul style="list-style-type: none"> <li>Increase in expenses for eco-friendly equipment &amp; technological development</li> </ul>	<ul style="list-style-type: none"> <li>Continuous investment in R&amp;D manpower equipment, and technological development</li> </ul>
	Legal	<ul style="list-style-type: none"> <li>Litigation occurred related to the environment, such as climate change, etc.;</li> <li>Legal standard on carbon emission</li> </ul>	<ul style="list-style-type: none"> <li>Decline in reputation due to litigation;</li> <li>Generating additional purchase for non-compliance with laws;</li> <li>Delay in production activities due to the equipment for response and system security, etc.</li> </ul>	-	<ul style="list-style-type: none"> <li>Incurring expenses to respond to litigation;</li> <li>Incurring incidental expenses for response to non-compliance with laws</li> </ul>	<ul style="list-style-type: none"> <li>Reviewing and establishing response methods through pre-assessment of legal risks for major business lines</li> </ul>
	Market	<ul style="list-style-type: none"> <li>Increase in cost of raw materials &amp; energy</li> </ul>	<ul style="list-style-type: none"> <li>Increase in cost &amp; delay in supply &amp; demand of production</li> <li>increase in product price</li> </ul>	<ul style="list-style-type: none"> <li>Cost reduction &amp; increase in consumer satisfaction by discovering better substitute ingredient</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in operating income due to increase in cost</li> </ul>	<ul style="list-style-type: none"> <li>Trend analysis of the raw material &amp; energy market, and installing high-efficiency equipment/ process;</li> <li>Establishing cost reduction method</li> </ul>
	Reputation	<ul style="list-style-type: none"> <li>Expectations of stakeholders for our role as an eco-friendly company</li> </ul>	<ul style="list-style-type: none"> <li>Impact on financial capability due to decrease in corporate reputation when expectations are not satisfied</li> </ul>	<ul style="list-style-type: none"> <li>Elevated image as an eco-friendly company &amp; increase sales by meeting market expectations</li> </ul>	<ul style="list-style-type: none"> <li>Possibility of increasing or decreasing in sales &amp; operating income according to the change in corporate reputation</li> </ul>	<ul style="list-style-type: none"> <li>Active promotion of the eco-friendly capability &amp; efforts by publishing the sustainability report</li> </ul>
Physical Risk Factor	Short term	<ul style="list-style-type: none"> <li>Eventuality of climate disasters such as typhoon, drought, forest fire, flood, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in raw material prices &amp; damage to production facilities, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Opportunity to discover new businesses related to climate disasters</li> </ul>	<ul style="list-style-type: none"> <li>Increase in raw material cost, production delays, recovery cost incurred from facility damage, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary preparation of scenarios related to climate disasters, &amp; provision of response training</li> </ul>
	Mid to Long Term	<ul style="list-style-type: none"> <li>Long-term physical environmental changes such as global warming, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Delay in supply &amp; demand of raw materials due to the increase in sea level and ground surface temperature, &amp; occurrence of finished product storage and quality risk, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Opportunity of discovering new businesses related to long-term risk management</li> </ul>	<ul style="list-style-type: none"> <li>Increase in raw material cost logistics, storage, quality control costs and etc.</li> </ul>	<ul style="list-style-type: none"> <li>Establishing mid- to long-term environmental response policy</li> <li>Development of internal experts for response to climate change</li> </ul>



## GHG Master Plan Operation HQ (Production Headquarters)

Category	PM
Establishment and submission of the 2023 implementation plan	<ul style="list-style-type: none"> <li>Identify issues for the reduction implementation plan and prepare the basis for calculating the reduction implementation plan.</li> <li>Input the information into the national GHG information system.</li> <li>Submit the implementation plan</li> </ul>
Establishment and submission of the 2022 statement and the implementation result report	<ul style="list-style-type: none"> <li>Collection of Bingrae emission inventory data (business site)</li> <li>Input the information into the national GHG information system.</li> <li>Submit the external verification result of the statement and the implementation plan.</li> </ul>
Implementation of the 2023 GHG emission reduction plan	<ul style="list-style-type: none"> <li>Execute the implementation plan.</li> <li>Discover and execute additional themes.</li> </ul>
Negotiation to set reduction targets for 2024	<ul style="list-style-type: none"> <li>Negotiate reduction targets (with Foundation of Agri. Tech. Commercialization &amp; Transfer).</li> </ul>
Establishment and submission of the 2024 implementation plan	<ul style="list-style-type: none"> <li>Identify issues for the reduction implementation plan and prepare the basis for calculating the reduction implementation plan.</li> <li>Input the information into the national GHG information system.</li> <li>Submit the implementation plan.</li> </ul>
Participation in assistance training	<ul style="list-style-type: none"> <li>Greenhouse Gas Reduction Research Association (3 times a year)</li> </ul>

## Operation of Environmental Performance Evaluation System

Key goals are set and managed annually on the GHG, energy, water and wastes, etc. for systematic environmental management, while the achievement rate compared to the related goal and reason, etc., is identified through monitoring. Moreover, response to climate change is performed strictly by reflecting on personal work performance evaluations.

Evaluation Target	<ul style="list-style-type: none"> <li>Senior management team, executives in charge of production, &amp; key onsite employees</li> </ul>
Detailed performance indicator management	<ul style="list-style-type: none"> <li>Key KPI items are selected annually on main factors (e.g., fixed reduction amount of GHG emissions, waste, etc.)</li> <li>Evaluation of established KPI &amp; internal audit are performed periodically to analyze the achievement rate of the quantitative goal, main reasons, etc. to pursue areas for improvements.</li> <li>Sophistication is performed continuously on the performance indicators</li> </ul>
Reflection of evaluation results	<ul style="list-style-type: none"> <li>Reflected in the performance evaluation of the competent department &amp; individual employees;</li> <li>Reflected in wage increase rates in connection to incentives for merit-based contributions, in addition to periodic evaluations;</li> <li>Also being connected to the evaluation items of each business site personnel for management</li> </ul>

## Investment Scale on Eco-Friendly Infrastructure for Greenhouse Gas (GHG) Reduction in 2022



## Key Investments



Installation of high-efficiency inverter-type air compressor

**[Investment effect]** High-efficient equipment is introduced for energy-saving/GHG reduction.



Introduction of steam pipe

**[Investment effect]** Reduction of heat loss



Installation of high-efficiency one-through boiler

**[Investment effect]** Energy-saving/GHG reduction by replacing the existing water-tube boiler to one-through boiler

## Climate Change Performance Index (CCPI)

Binggrae is managing the main index in response to climate change annually in a bid to reduce GHG emissions and energy use.

### GHG emissions

Item	Unit	2020	2021	2022
Total amount of GHG emissions		59,763	60,993	59,514
Scope1(Direct Emission)	tCO <sub>2</sub> eq	18,237	17,989	17,232
Scope2 (Indirect Emission)		41,534	43,012	42,294
Intensity of greenhouse gas emissions	tCO <sub>2</sub> eq/ton	0.218	0.224	0.214

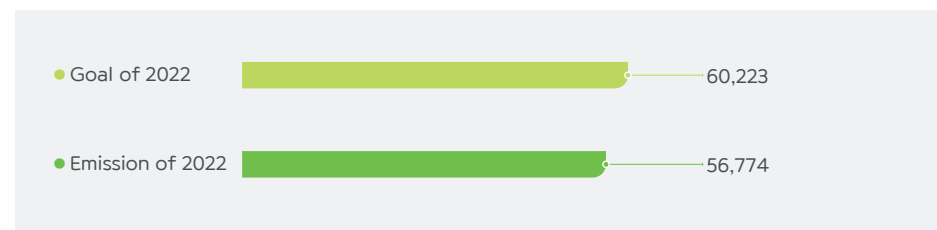
\* The total amount of GHG emissions reduction is the sum total of the amount of GHG reduction of all individual emission sources. / The total amount of GHG emissions is the sum total of GHG emissions from all individual emission sources. It may differ slightly from the actual emission amount.

The total amount of emissions = Scope1 + Scope2

\* It is the Statement of Greenhouse Gas Emissions & Energy Use value.

### 2022 Goal & Emissions

(Unit : tCO<sub>2</sub>eq)



\* 2022 Goal: Emissions allowance on the GHGs subject to emission control (Statement)

\* 2022 Emissions: GHG emission subject to emission control (Statement)



## Energy use

Item	Unit	2020	2021	2022
Total amount of energy use		1,187	1,227	1,198
Use of electricity	TJ	855	899	884
Use of fuel		338	334	320
Intensity of energy use	TJ/ton	0.00407	0.00434	0.00431

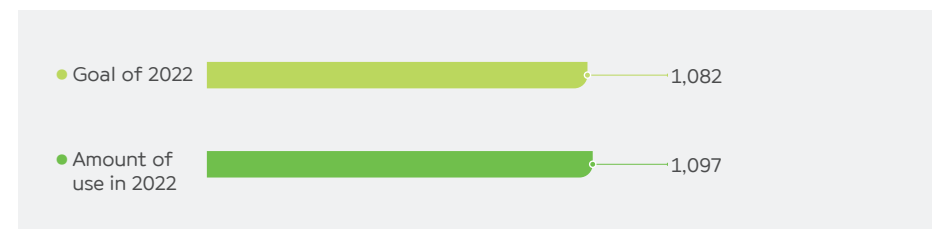
\* The total amount of energy use is the sum total of the amount of energy reduction of all individual energy sources. It may differ slightly from the actual amount used.

The total amount of use = electricity + fuel

\* It is the value in the Statement of Greenhouse Gas Emissions & Energy Use.

### 2022 Goal & Usage

(Unit : TJ)



\* 2022 Goal: Electricity fuel use plan

\* 2022 Usage: Usage of energy subject to management of usage (Statement)

Through the discharge facility management process, Binggrae is focusing on the environmental management capabilities to prevent the external discharge of air pollutants, including fine dust, and the discharge amount is monitored consistently.

### Emissions of air pollutants

Item	Unit	2020	2021	2022
PM(dust)		0.07	0.35	0.54
NOx	ton	2.06	3.51	3.22
SOx		0.00	0.00	0.04



## ECO-FRIENDLY SUPPLY CHAIN MANAGEMENT

Binggrae has established the sustainable supply chain operation strategy prioritizing the environment for coexistence of humankind with nature. Efforts are pursued to minimize the environmental impact through life cycle analyses on the products produced by Binggrae and to practice environment-friendly management with the vendors and business partners of Binggrae.

### Efforts for Reducing Environmental Impact through Product Life Cycle Analysis

All products produced by the companies consume natural resources, and carbon emissions are released in the overall process from raw material procurement to production, distribution and disposal. From 2021, Binggrae assessed the importance, such as sales portion, etc., of performing life cycle analyses on main products, such as Banana-Flavored Milk and Together, etc., and acquired the EPD (Environmental Product Declaration) Certification. Moreover, separate collection and recycling of product packages are promoted through various campaigns with consumers to continue earnest efforts to minimize the environmental impact even at the stage of products being-when products are shipped out of our premises and after their delivery to consumers.

### Life Cycle of Dairy Products



**LCA Item** : In the overall process of pre-manufacture/ manufacture/ use/ disposal, resource footprint, carbon footprint, impact on the ozone layer and water footprint, etc., are measured.



Resource Footprint



Carbon Footprint



Impact on Ozone Layer



Water Use Footprint

### Recycling Campaign Together with Consumers

#### Banana-Flavored Milk “Everyday Danbansa” Campaign in 2022



A campaign was launched to encourage children to gather PS material plastic, including bottles of Banana-Flavored Milk, and collected plastic bottles were made into a “(Meaning Bottle + Firefly)” in the shape of a Banana-Flavored Milk bottle. The “Danditbul” were given to children for use as reflective mirrors for traffic safety.

#### Yoplait ‘Let's Bloom the Earth’ Campaign in 2021

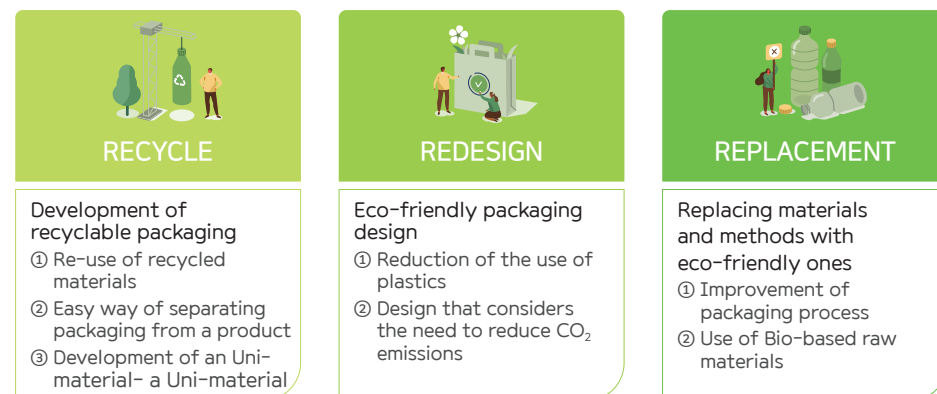


During the campaign, Yoplait containers were collected from consumers who purchased the ‘Yoplait Zero Waste Pack’ and upcycled to become eco-friendly recycle goods called ‘Yoplait Gardening Kit’

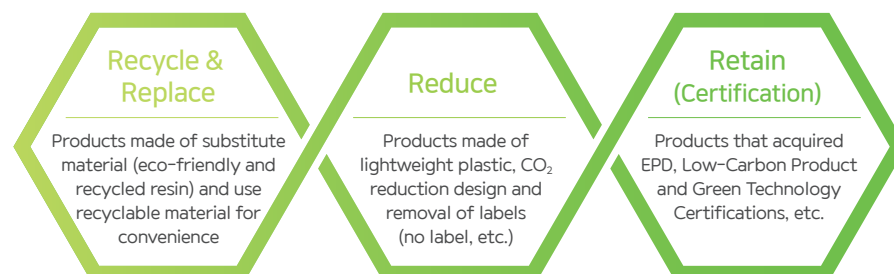
## Binggrae's Sustainable 3R Strategy

Binggrae has instituted the 「3R」 strategy as the standard for developing the product packaging, purchasing eco-friendly raw and subsidiary materials, and for calculating the eco-friendly sales of Binggrae products or services.

### 3R of Eco-Friendly Product Packaging Development



### Standard of Eco-Friendly Purchasing & Sales 「3R」



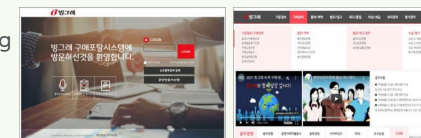
### Binggrae Green Purchase Policy

#### Binggrae Green Purchase Policy

**First**, Binggrae will comply with environmental protection and environmental laws together with business partners to fulfill our social responsibilities.

**Second**, Binggrae will share and practice our environmental policy with business partners to establish a shared growth relationship.

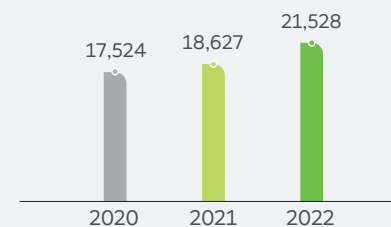
**Third**, We strive to secure the best partner companies for win-win growth by developing eco-friendly products, continuous quality improvements, and rational cost calculation.



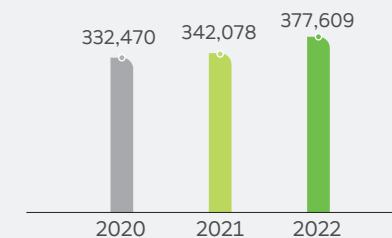
### Green Purchase/Sales Performance

(Unit : KRW million)

#### Green Purchase Performance in Last 3 Years



#### Green Sales Performance in Last 3 Years



## Establishment of Green Partnership

To share our eco-friendly agenda to be pursued-with business partners, Binggrae has adopted the 「Code of Conduct on the Binggrae Partners」 composed of 15 items in the environmental, social and ethical fields.

From 2021, the ESG self-diagnosis checklist has been provided to business partners for self-inspections, the self-diagnosis results have been verified to reflect the eco-friendly certificate status in incentive-based evaluations and consideration for contract renewal.

Binggrae plans to gradually sophisticate the evaluation system, such as collecting third-party validation data and performing due diligence on the facilities of main partners, and strengthen environmental capabilities of the overall value chain.

### Code of Conduct in the 「Environmental Field」 for Binggrae Partners

- ① Provide the status of possessing certifications in the environmental field
- ② Take responsibility for preventing environmental pollution and reduction of resource waste
- ③ Reinforce management responsibilities on waste, wastewater and hazardous chemicals
- ④ Take responsibility for preventing air pollution
- ⑤ Take responsibility for procurement of the eco-friendly raw & subsidiary materials



## Main Raw & Subsidiary Material Transaction Performance

Classification	Unit	2020	2021	2022
Usage	Ton	145,125	149,477	151,159
Intensity of crude oil use	Ton/ KRW hundred million	16.0	15.2	13.8

## Status of Reflecting Self-Diagnosis in Supply Chain & Certifications in the Evaluation

Classification	2021	2022
ESG self-diagnosis checklist	Response by 46 companies	Response by 92 companies
Additional points applied in evaluation according to holding ESG related certifications*	15 companies	8 companies

\* ESG related certification: ISO14001, ISO9001, ISO45001, ISO37301, Green Technology and CCM Certification, etc.

## Binggrae Self-Diagnosis Check Area in Environmental Field



# CIRCULAR ECONOMY



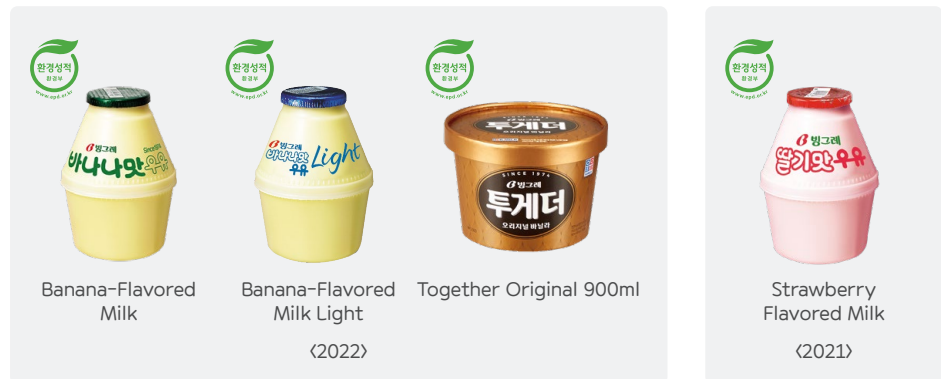
## Eco-Friendly Packaging Development

Binggrae continues its earnest efforts to reduce CO<sub>2</sub> emissions and waste discharge by developing eco-friendly packages. According to the government policies such as waste allotment system, regulations on the use of excessive packaging and disposables, extended producer responsibility (EPR) and separate discharge labeling system, Binggrae pursues activities for reducing carbon emissions from the production of packing materials to the disposal stage to reduce and avert waste generation on packing materials and promote convenient reuse and recycling. Moreover, Binggrae also participates actively in developing packing materials that are optimized for resource circulation after incineration or landfill of packing materials.

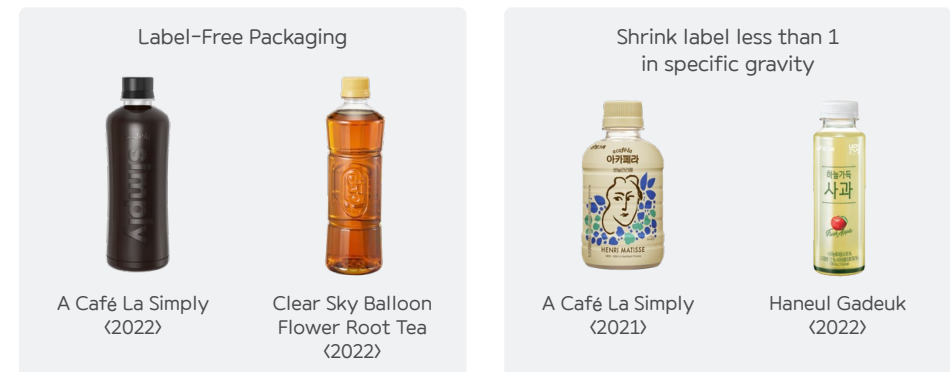
As a result of these efforts, Binggrae received the Korea packaging association inc. Chairperson's Award' at the '16th Korea Star Awards 2022' ceremony hosted by the Ministry of Trade, Industry & Energy and sponsored by the Korea Institute of Industrial Technology and Packaging Technology Center. Also, we developed label-free packaging in 2022 and released 'A Café La Simply' to receive the 'Top Award' in the brand and communication category at the 2022 Red Dot Awards ceremony.



## Certification of Environmental Product Declaration (EPD)



## The highest grade products for recycling initiative



### Recyclable Product with 'Excellent' Grade

Thermo-alkaline water separation-type adhesive used and compliance with standard on adhesive application



### Improvement of Recycling Grade

Thermo-alkaline water separation-type adhesive used and compliance with standard on adhesive application



#### REMOVAL

Remove Calcium carbonate from the Yoplait original sheet  
<2021>



#### SEPARABLE TOP

Veggie (Tetra Top) SEPARABLE TOP\* changed

\*SEPARABLE TOP: Synthetic resin cap possible for separating with the body of the paper pack  
<2022>

### Lightweight Packaging Materials

OPP/ AL vinyl thickness reduced



OPP

AL

- ① Ice cream film thickness reduced
- ② Bioplait lead thickness reduced

Miscellaneous materials removed on the plastic



Cap removed

- ③ Home size cap removed
- ④ O'Fruit cap removed

By recycling the raw materials, improving the materials and reducing the weight, Bingrae reduced approximately 6,588 tCO<sub>2</sub>eq of GHG (greenhouse gas) emissions in 2022. According to the 'Carbon Tree Calculator' provided by the Korea Forest Service, GHG emission reductions of 6,588 tCO<sub>2</sub>eq amount to planting approximately 53,000 pine trees. Bingrae will keep making earnest efforts to develop eco-friendly technologies to reduce GHG emissions.





## Participation in the COP 27



At the COP27 (Conference of the Parties) held in Sharm el-Sheikh (Egypt) on November 2022, Binggrae gave a presentation on the topic of 'Best Practice Sharing Methods and Quantification of GHG Emission Reduction in Living Areas'. Binggrae gave a presentation on the effect of reducing plastic usage and GHG emissions through lightweight containers and the use of plastic-free materials on main products such as Banana-Flavored Milk and Yoplait, etc., and highlighted cases of conducting campaigns for awareness of proper separate discharge methods for plastic containers, in addition to provide customers with the experience of resource circulation activity through upcycling were introduced.

## Launch of Environment-Friendly Campaigns

Binggrae is leading the way to promote consumers' active participation annually through activities of respecting and protecting the environment through various and fun concepts.

2022



### Banana-Flavored Milk "Everyday Danbansa" Campaign in 2022

By installing 'Zero Waste Box' at 48 elementary schools nationwide to encourage children to experience collecting PAS material plastic containers directly, including Banana-Flavored Milk, the campaign was launched to instill proper awareness of the separate discharge method and resource circulation. The plastic bottles gathered by the small Green Hands considering the environment were made into a reflective glass in the shape of Banana-Flavored Milk bottles and given to children for use as a reflective mirror for traffic safety.

2021



### Yoplait "Let's Bloom the Earth" Campaign in 2021

During the campaign, Yoplait containers were collected from consumers who purchased the 'Yoplait Zero Waste Pack', and the containers were collected for upcycling to eco-friendly recycle goods called 'Yoplait Gardening Kit'. A group of creative young artists called 'Studio Concrete' participated in concept planning and design development of 'Yoplait Gardening Kit', with proceeds to be donated to an environmental foundation.

2020



### Banana-Flavored Milk "Boonbastick" Campaign in 2020

The campaign was launched to advocate 100% recycling of empty Banana-Flavored Milk bottles to produce "Boonbastick", and enable consumers to remove product plastic packaging and plastic rings on beverage caps easily. Crowdfunding was performed through Naver Happy Bean, and proceeds were donated to an NGO environmental organization.

### "Summer Crush" a Global Temperature- Lowering Campaign in 2020

In cooperation with the Ministry of Environment and Korea Climate & Environment Network (KCEN), the special package edition of "Summer Crush" was released by including the campaign slogan of 'Adopt a low-carbon, eco-friendly lifestyle to lower global temperature'. Some of the proceeds from product sales were used in supporting the socially marginalized class during heatwaves.

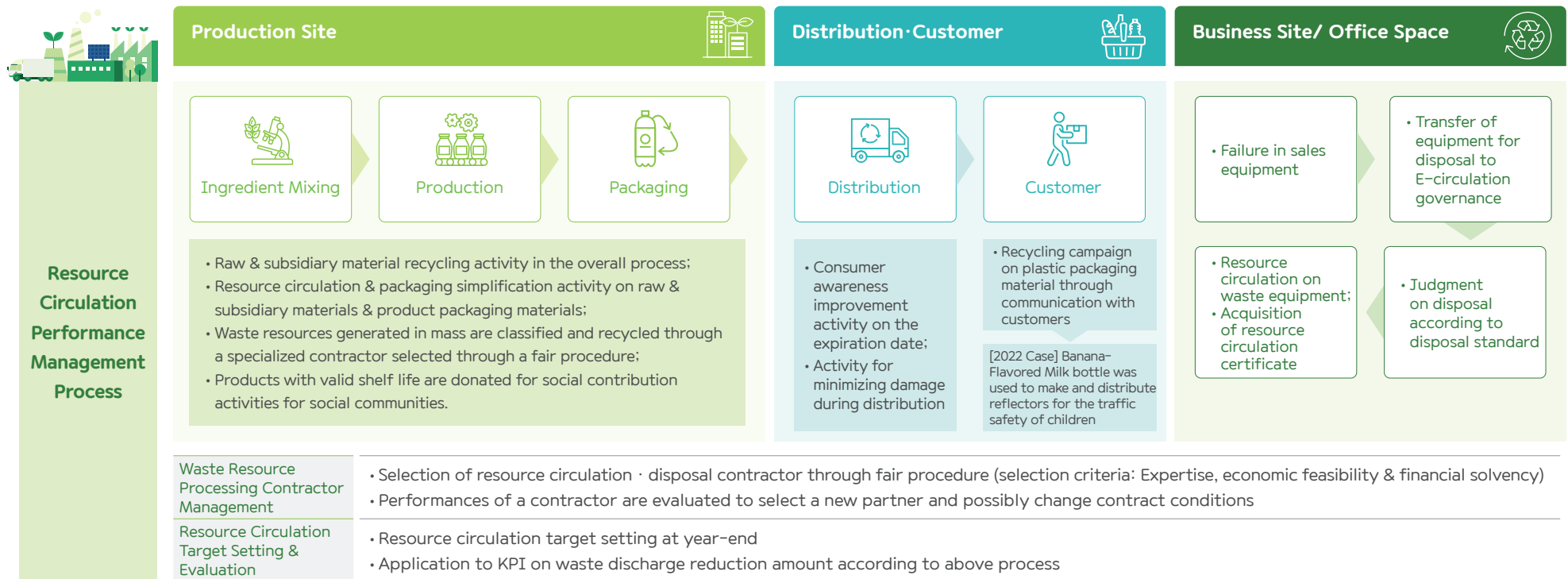


### Banana-Flavored Milk Campaign "Save the Earth with Bananas" in 2020

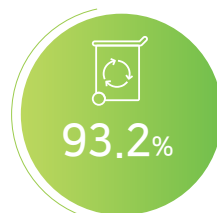
Considering how recycling is difficult due to improper removal of the contents, Binggrae has developed the 'Danji Washing Machine', which performs automatic washing when Banana-Flavored Milk bottles are inserted. This campaign secured a strong reception from consumers for showing the separate discharge method in an interesting and intuitive method. The Danji Washing Machine Campaign received numerous awards from prestigious domestic and foreign marketing awards, such as 'Korea Advertising Awards', 'A.N.D. (Award for New Digital) Award' and 'Effie Awards', etc.

## Establishing Resource Circulation Performance Management Process

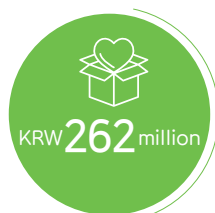
Binggrae has installed the process for resource circulation performance management, and this process was spread to all business sites for systematic management of packaging material recycling targeting by-products from production and raw and subsidiary materials, processing of product inventory, recycling of household waste and circulation of waste equipment that used to be managed independently by each business site.



### 2022 Resource Circulation Performance



Recycling rate compared to total waste generated



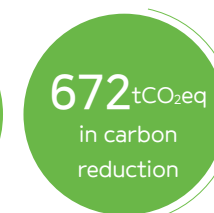
Food donation amount



Banana-Flavored Milk "Everyday Danbansa" Campaign in 2022



Recycled sales equipment





## 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.

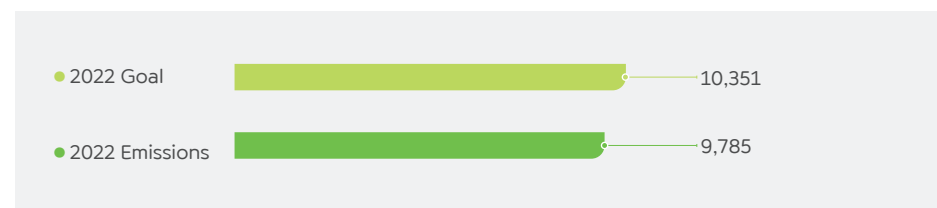
### [ Waste disposal goals ]

- 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	2020	2021	2022
Total amount of waste		9,667.95	10,362.55	9,757.86
General waste	Total amount	9,601.22	10,292.26	9,692.74
	Recycling	8,926.41	9,631.23	9,037.23
	Incineration	674.81	661.03	650.29
	Landfill	7.03	-	5.22
Designated waste	Total amount	66.73	70.29	65.12
	Recycling	62.20	64.63	59.37
	Incineration	3.66	5.66	5.75
	Landfill	0.87	-	0.00
Total amount of recycled waste			9,695.86	9,096.60
Waste recycling rate	%	93.0	93.6	93.2

## 2022 Goal & Emissions

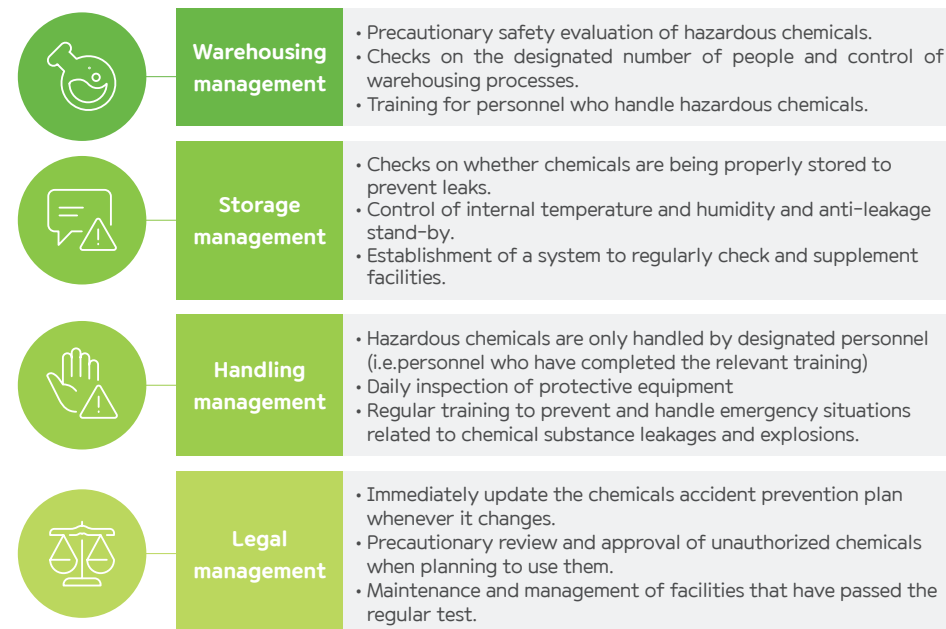
(Unit: Ton)



## Management of Hazardous Chemicals

Binggrae has instituted the management system for proper management of chemicals usage and handling. The details of implementing the laws related to chemical substance management are formulated to comply with the 'Chemical Substances Control Act', 'Occupational Safety & Health Act' and 'Safety Control of Dangerous Substances Act', etc., with an adequate safety management plan being established accordingly. Notably, hazards and risks of all chemical substances handled are inspected based on the Material Safety Data Sheet (GHS-MSDS). Moreover, a safety manager is appointed to perform periodic self-monitoring, such as daily inspections of the chemical substances, and equipment status of using/ handling facilities are managed systematically based on self-monitoring. Binggrae continues to strictly follow the laws related to chemical substance management and periodically verifies the handling of hazardous chemicals in order to prevent chemical substances and safety accidents at business sites.

### Hazardous Chemicals Management System



## Water intake volume & usage

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 (wastewater 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 water use.

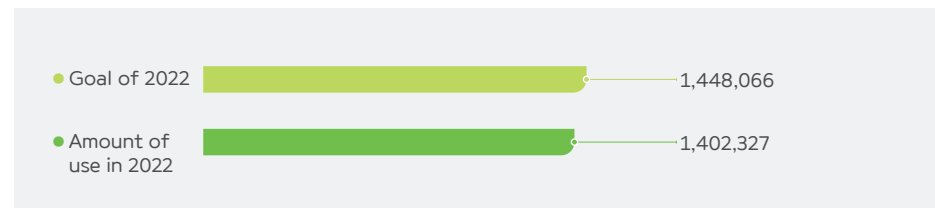
\* CIP (Clean In Place) : CIP cleaning is a procedure for cleaning equipment interiors using a washing agent.

## Our water usage and recycling status

Item	Unit	2020	2021	2022
Water usage	ton	1,491,148	1,439,965	1,368,348
Recycled water volume		70,231	44,728	64,039
Water recycling rate	%	4.7	3.1	4.7

## 2022 Goal & Usage

(Unit : ton)



## Water Intake & Usage for Each Main Business Site

(Unit : ton)

Classification		2022 Water Intake	Usage
Namyangju Factory	Third-party supplied water (water supply, industrial water, etc.)	229,763	229,763
	Underground water	300,201	300,201
	Recycled water	62,181	62,181
	Subtotals	592,145	592,145
Gimhae Factory	Third-party supplied water (water supply, industrial water, etc.)	55,247	55,247
	Underground water	325,661	325,661
	Recycled water	35,837	35,837
	Subtotals	416,745	416,745
Nonsan Factory	Third-party supplied water (water supply, industrial water, etc.)	17,771	17,771
	Underground water	201,188	201,188
	Recycled water	-	-
	Subtotals	218,959	218,959
Gwangju Factory	Third-party supplied water (water supply, industrial water, etc.)	3,627	3,627
	Underground water	170,851	170,851
	Recycled water	-	-
	Subtotals	174,478	174,478
Total	Third-party supplied water (water supply, industrial water, etc.)	306,408	306,408
	Underground water	997,901	997,901
	Recycled water	98,018	64,039
	Subtotals	1,402,327	1,368,348

## Information on Vulnerability to Drought on Production Site

〈National Drought Damage Status in 2020 ~ 2022〉

Production site	Number of droughts
Namyangju-si, Gyeonggi-do	0
Gimhae-si, Gyeongsangnam-do	0
Gwanju-si, Gyeonggi-do	1 or more ~ less than 13 cases
Nonsan-si, Chungcheongnam-do	0

35 cases or more	23 cases or more	13 cases or more	1 case or more	0
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\*All business sites of Binggrae are not located in areas vulnerable to drought. The Gwangju Factory located in Gwangju-si, Gyeonggi-do is devoting its efforts to supporting the water supply operations of Gwangju-si through campaigns for reducing water usage in the factory.

## Water Resource Risk & Opportunity Factory Analysis

As part of our efforts for the major environmental issue of 'sustainable resource use' derived through the materiality assessment, risk and opportunity factors regarding the water resources were analyzed to establish the response strategy. For food companies with an obligation to provide healthy and safe food to customers, water is a highly precious resource. Bingrae will make preparations to contribute to reducing the use of water resources through various policies and technological developments and respond in advance to various environmental changes.

Risk Factor		 Current Issues	 Risk Elements	 Opportunities	 Financial Impact	 Response Strategy
Transition Risk Factor	Policy	<ul style="list-style-type: none"> <li>Reinforcing domestic &amp; foreign water resource management regulations;</li> <li>Reinforcing discharge facility related regulations and standards</li> </ul>	<ul style="list-style-type: none"> <li>Increase in water consumption &amp; wastewater discharge according to the increase in production;</li> <li>Limitation of response by the new pollutant preventive facility;</li> <li>Restriction in promoting new products/ businesses</li> </ul>	<ul style="list-style-type: none"> <li>Improving image as an advanced water resource management company through preemptive regulatory response;</li> <li>Marketing possible on environment-friendly corporate image</li> </ul>	<ul style="list-style-type: none"> <li>Increase in cost for response to regulations (equipment investment related to water &amp; wastewater, etc.)</li> <li>Increase in operating expenses for complying with reinforced standards</li> </ul>	<ul style="list-style-type: none"> <li>Implementing preemptive analysis/ response methods through in-house personnel specialization;</li> <li>Minimization of trial-and-error through sequential plan</li> </ul>
	Technology	<ul style="list-style-type: none"> <li>Upgrading existing equipment, investment on advanced equipment, &amp; development of in-house cutting-edge technology</li> </ul>	<ul style="list-style-type: none"> <li>Early stabilization required for introducing new equipment;</li> <li>Factor about increase in equipment investment cost &amp; operating personnel</li> <li>Incurring cost of failure from introducing equipment</li> </ul>	<ul style="list-style-type: none"> <li>Preparing for possibility of decrease in utility/ personnel according to the sophisticated equipment;</li> <li>Improving corporate image according to decrease in discharge of pollutants</li> </ul>	<ul style="list-style-type: none"> <li>Increase in equipment introduction cost/ operating personnel;</li> <li>Utility cost reduction according to high-efficiency equipment</li> </ul>	<ul style="list-style-type: none"> <li>Zero cost of failure through the development of strict pre-analysis simulation capability</li> </ul>
	Laws	<ul style="list-style-type: none"> <li>Potential litigation cost related to water resources;</li> <li>Reinforcing pollutant discharge standards</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in reputation due to litigation;</li> <li>Equipment upgrade for satisfying the standards</li> </ul>	<ul style="list-style-type: none"> <li>Improving environment-friendly corporate image by complying with stricter laws</li> </ul>	<ul style="list-style-type: none"> <li>Incurring expenses related to litigation;</li> <li>Incurring costs for legal compliance</li> </ul>	<ul style="list-style-type: none"> <li>Review &amp; setting up response methods through pre-assessment of legal risks on the major business lines</li> </ul>
	Market	<ul style="list-style-type: none"> <li>Increase in water consumption cost &amp; wastewater treatment cost</li> </ul>	<ul style="list-style-type: none"> <li>Increase in cost &amp; delay in supply &amp; demand of production</li> </ul>	<ul style="list-style-type: none"> <li>Increase in consumer satisfaction from use of eco-friendly products using minimum water resources</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in operating income due to increase in cost</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring annual water resource operational strategy by the government;</li> <li>Adopting water usage reduction equipment</li> </ul>
	Reputation	<ul style="list-style-type: none"> <li>Expectations of stakeholders on our role as an environment-friendly company</li> </ul>	<ul style="list-style-type: none"> <li>Impact to financial capability due to decline in corporate image when expectations are not satisfied</li> </ul>	<ul style="list-style-type: none"> <li>Increase in image as the environment-friendly company and sales when satisfying the expectations</li> </ul>	<ul style="list-style-type: none"> <li>Possibility of increasing or decreasing in sales and operating income according to the change in corporate reputation;</li> <li>Increase in incidental expenses according to the environment-friendly system</li> </ul>	<ul style="list-style-type: none"> <li>Active spread of the eco-friendly capability by publishing the sustainability report;</li> <li>Review of combined processes/ equipment improvement for reducing long-term costs</li> </ul>
Physical Risk Factor	Short Term	<ul style="list-style-type: none"> <li>Risk of natural disasters such as drought &amp; flood, etc. &amp; underground water pollution accident, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Damage to production facilities &amp; decrease in water resources possible for use</li> </ul>	<ul style="list-style-type: none"> <li>Securing the safe workplace from flood damage through modernized disaster management process</li> </ul>	<ul style="list-style-type: none"> <li>Increase in utility costs, delay in production &amp; recovery cost incurred from damage to facilities, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary preparation of scenarios related to flood damage, &amp; provision of response training</li> </ul>
	Mid to Long Term	<ul style="list-style-type: none"> <li>Long-term physical environmental changes such as absolute reduction of water resources &amp; desertification, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Possibility of delays in supply &amp; demand of raw materials &amp; increase in production cost, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Seizing opportunity to discover new businesses related to long-term risk management</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in operating income according to increase in raw material costs</li> </ul>	<ul style="list-style-type: none"> <li>Setting up mid- to long-term environmental response policy;</li> <li>Development of internal experts for response</li> </ul>

# CONSTRUCTION OF ECO-FRIENDLY BUSINESS



## Efforts to conserve endangered species around the production site

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.



## Donation of trees for afforestation of ecological system in the region affected by the forest fire in Gangwon-do

Since 2020, employees participated voluntarily in the annual plogging campaign to collect garbage in urban areas and nature, and Binggrae has donated trees on behalf of our employees participating in the plogging to regions requiring afforestation due to the forest fire in Gangwon-do. There were 85 trees planted until 2022, creating a forest of approximately 1,400m<sup>2</sup>, primarily deciduous trees, and this—which will contribute to restoring the forest ecosystem that was affected by the forest fire.



2022 Binggrae Plogging & Tree Donation Guide Poster



Plogging participation by employees in 2020~2022

	Namyangju	Gimhae	Gwangju	Nonsan
Endangered Species Class I		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			

## Environmental Awards

2022	Cup beverage package won the 「16th Korea Packaging Organization Federation Chairperson's Award」
2022	A Café La Simply won the 「Main Award at the 2022 Red Dot Awards, brand & communication category」
2021	A Café La won the 「15th Korea Packaging Technology Chairperson's Award」
2021	Banana-Flavored Milk Danji Washing Machine won the 「Bronze Effie Award, Food Sector, Effie Awards Korea」
2021	Banana-Flavored Milk Danji Washing Machine won the 「Silver Effie Award, Brand Experience Sector, Effie Awards Korea」
2021	Banana-Flavored Milk Danji Washing Machine won the 「Gold Effie Award, GoodWorks-Brands Sector, Effie Awards Korea」
2020	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).
2020	Banana-Flavored Milk Danji Washing Machine won the 「Grand Award, Food & Beverage Sector, 2020 A.N.D. Award Digital Ad & Campaign」
2020	Viva City Supply Stick Jelly won the Prize of the Minister of Trade, Industry and Energy at the 14th Korea Star Awards (Jul. 2020).
2020	Banana Flavored Milk's Danji Washing Machine won the Special Prize in the Innovation Category at the 2020 Korea Advertising Awards (Nov. 2020).
2020	Banana-Flavored Milk Danji Washing Machine won the 「Bronze prize, Promotion Sector, 2020 Korea Ad Grand Award」
2020	Awarded the 「Award for the 2020 Contribution to Prevention of Chemical Accidents & Response Activities」
2020	Awarded the 「Presidential Citation for 2020 Eco-Friendly Technology & Consumption Promotion Government Awards for Carbon-Lowering Practices」

### 2022 Red Dot Awards



### 2021 Effie Awards



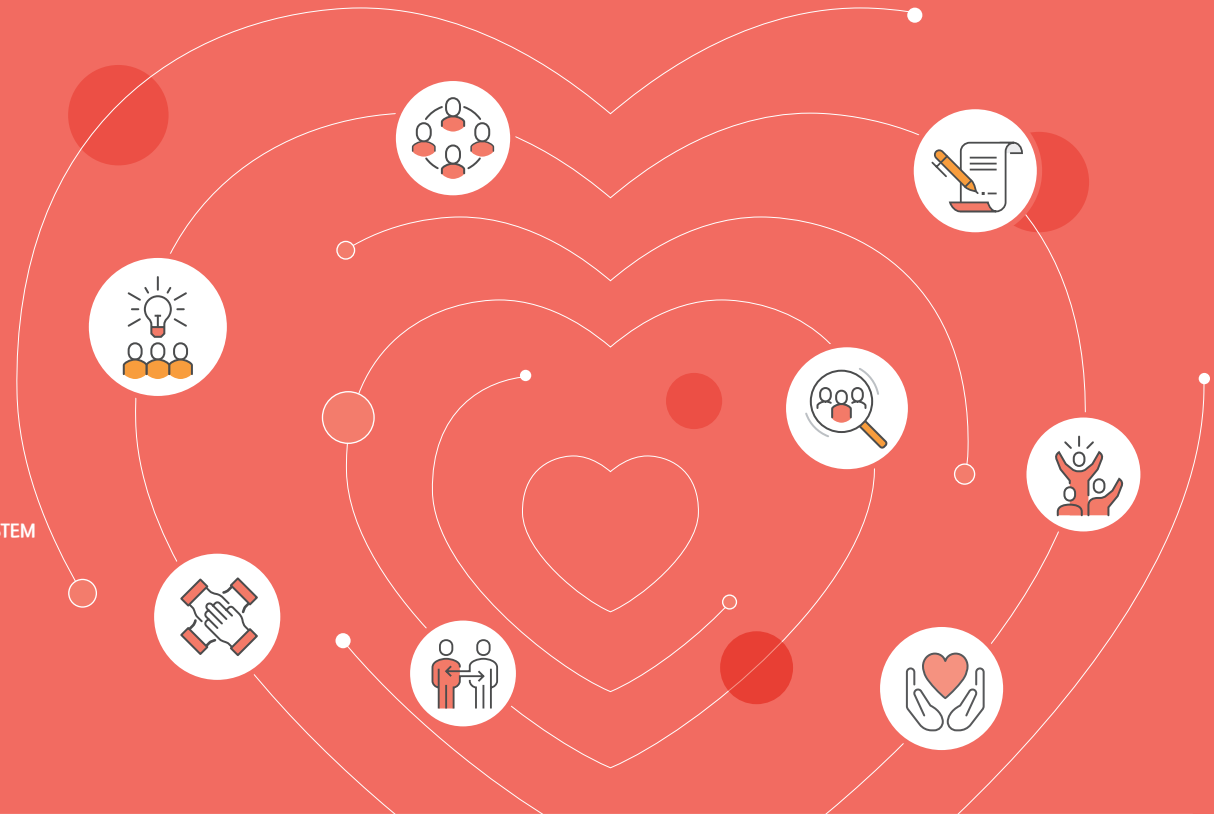
### 2020 Eco-Friendly Technology & Consumption Promotion Government Awards



# 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 with our business partners, and to become a leading company that creates shared value and generates the best customer value and takes the lead in developing local communities.

50 ORGANIZATION CULTURE / 54 EDUCATION OF EXECUTIVES AND EMPLOYEES & HR SYSTEM  
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 67 NO. 1 CUSTOMER SATISFACTION COMPANY  
 75 WIN-WIN COOPERATION FOR SUSTAINABLE SUPPLY CHAIN MANAGEMENT/  
 78 CORPORATE SOCIAL RESPONSIBILITY (CSR)



## Major performance results in 2022



**179** people

No. of new employees



About **12.7** million

Average cost of fringe benefits per employee



**92** companies

ESG evaluation for supply network (self-diagnosis)



**46.3** hours

Hours of education per employee

## Number and cost of violations for unfair trade practices

Leakage of customers' personal information ('2020 to 2022)

**"zero"**

Accidents & incidents related to human rights (2020 to 2022)

**"zero"**

Non-compliance with laws and autonomous regulations related to marketing and communication (2020 to 2022)

**"zero"**



# ORGANIZATION CULTURE

## A culture of autonomy and communication that fosters a harmonious balance between work and 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. Since 2018, we have been committed to enhancing the quality of life for our employees by implementing the Smart Work system. This system allows employees to work autonomously and provides a foundation for effective communication.

### Strategy to improve our employees' quality of life

#### Binggrae Smart Work

##### Work Hours

###### Flexible work hours

- Optimize work hours.
- Make concentrated work hours a common practice.



##### Work Style

###### Work with concentration

- Aim at performing a Smart co-work system.
- Work with intensity and simplicity



##### Work Culture

###### Free and responsible work culture

- Refresh employees' mind and body with regular breaks and rest.
- Promote professional etiquette company-wide.



Work with high concentration + Work-life balance

### 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 2022 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 : Dec. 2022 – Nov. 2024)



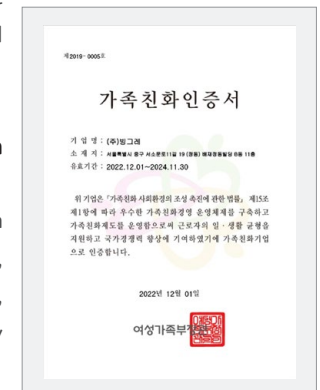
Adjustment of online commuting hours. Turning off PCs outside working hours



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 holidays → Taking a day off on weekdays.



### Employees' benefits package

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

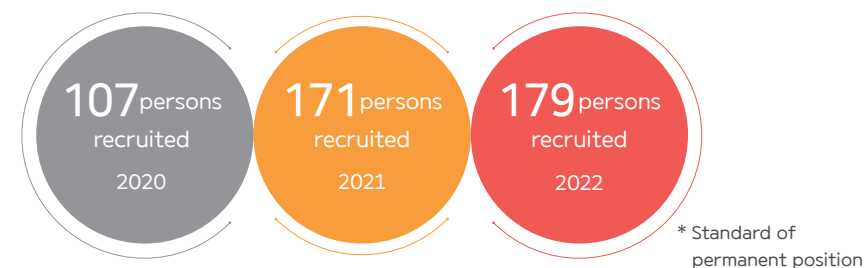
<b>Pay</b> <ul style="list-style-type: none"> <li>• Performance incentives</li> <li>• Profit Sharing System</li> <li>• Lunch money subsidy</li> <li>• Support for entire fuel cost (Sales)</li> <li>• Support for mobile phone bills (Sales)</li> <li>• Pay for annual leave</li> <li>• Benefits for a license, qualification, and job position</li> <li>• Pay for national holidays</li> <li>• Children's educational costs</li> <li>• Expenditure for congratulations and condolences</li> </ul> 	<b>Benefits</b> <ul style="list-style-type: none"> <li>• Utilization of major condominiums around the country</li> <li>• Group accident insurance</li> <li>• Company clubs</li> <li>• Long service award</li> <li>• Regular medical checkup</li> <li>• General checkup for employees' spouse</li> <li>• Citation &amp; Prize for Excellent Employees</li> <li>• Four major employment insurances</li> </ul> 
<b>Environments</b> <ul style="list-style-type: none"> <li>• Five-day working week</li> <li>• Four-week-based autonomous work system (Flexible work hours)</li> <li>• Support for Mobile Office</li> <li>• Eight days off besides legal annual leave</li> <li>• Annual leave, a half day off, a quarter of a day off</li> <li>• Leave for congratulations and condolences</li> <li>• "Break Nine" system (Taking 9 days off in a row)</li> <li>• Support for housing welfare for newly appointed employees.</li> <li>• Commuting bus (factories)</li> <li>• Gifts for anniversaries</li> </ul> 	<b>Learning &amp; Development</b> <ul style="list-style-type: none"> <li>• Onboarding course for new hires</li> <li>• College of Marketing</li> <li>• Overseas-themed training</li> <li>• Overseas seminars</li> <li>• Foreign language courses</li> <li>• MBA degree program</li> <li>• Job specialist courses</li> <li>• Leadership training through an international symposium</li> <li>• Smart learning</li> <li>• Study groups</li> <li>• Team building workshops</li> </ul> 

### Expansion of employment and securing job stability

#### Provision of Fair Recruitment & Opportunities

Binggrae recruits new hires annually according to the operating plan, and efforts are continued to increase employment and secure their stabilization. In 2022, 179 employees were newly recruited in permanent positions.

During recruitment and employment, Binggrae provides equal opportunities to female and male recruits, and contents targeting a specific gender in recruitment are prohibited. Moreover, discrimination in the wage, training, arrangement, promotion, retirement age, retirement and dismissal, etc. simply on the grounds of being a female employee is strictly prohibited.



#### 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 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

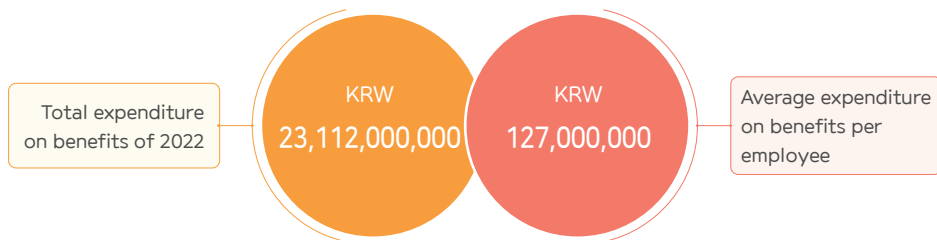
### Average wage per employee

Item	Unit	2020	2021	2022
Male	KRW 1,000	59,648	61,551	56,633
Female		47,258	46,335	43,705
All employee		56,628	57,635	53,316

\* Based on the business report

\* In 2021, performance bonuses were paid for the achievements in 2020.

### Average welfare benefits per employee



### Ratio of Voluntary Transfers among Retired Employees in 2022 : 78.5%



\* Standard of executives and personnel in permanent positions:

\* Voluntary transfers: Transfer to the group company, advisory of resignation, retirement age, and retirement due to personal circumstances and not due to expiry of period

### Use of flexible working hours

Item	Unit	2020	2021	2022
No. of employees who adopted flexible working hours	Persons	747	783	786

### Status of use of maternity and childcare leaves

Item	Unit	2020	2021	2022
No. of employees who used maternity leave	Persons	11	14	13
No. of employees who used childcare leave		19	26	26
No. of employees who returned to work after maternity leave		13	8	10
Percentage of employees holding a position for more than 12 months	%	100	80	77

\* 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

\* 77% of employees holding a position for more than 12 months for 2022 = 10 employees holding a position for more than 12 months for 2022 / 13 employees who returned to work after maternity leave for 2021



## Employee Diversity Information

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 childcare 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.

Item				Unit	2020	2021	2022	
Total status				All employees	1,796	1,834	1,816	
				Employment type	Executives	16	16	16
					Permanent	1,572	1,601	1,589
					Temporary	206	211	211
				Gender type	Male	1,360	1,387	1,371
					Female	436	447	445
				Employees with disabilities		33	31	28
				Men of national merit		11	10	7
				foreigner		-	-	-
Group	Executives	Gender type	Male	No. of persons	16	16	16	
			Female		-	-	-	
	Leader Group (L.Group)	Gender type	Male		87	95	99	
			Female		8	8	9	
		Age group	Under 30		-	-	-	
			Aged 30 to 50		73	90	88	
			Over 50		22	13	20	
		Positions Besides Administrative Ones	Gender type		Male	1,257	1,276	1,256
	Female				428	439	436	
	Age group		Under 30		462	524	481	
			Aged 30 to 50		1,009	970	1,009	
			Over 50		214	221	202	

\* Employees of the company are divided by role group, not the position.

\*\* Age was indicated based on the international age

## 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 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 relations. 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. Compared to the number of employees (577) eligible to join the union, the current union membership rate is 100% (as of Dec. 2022).

Classification	Unit	2020	2021	2022
No. of members subject to joining the labor union	Persons	604	598	577
No. of members subscribed to the labor union.	Persons	604	598	577
Labor union subscription rate	%	100	100	100

### Frequency of Labor-Management Meeting and Agenda Handling Rate

Classification	2020	2021	2022
No. of Labor-Management Meetings	4	4	4
Agenda Handling Rate	100%	100%	100%

### 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 and support the entire cost of the Culture Class, in which they can enjoy a variety of hobbies with their colleagues.



Selected as the 'Best Labor-Management Culture Enterprise' in 2020

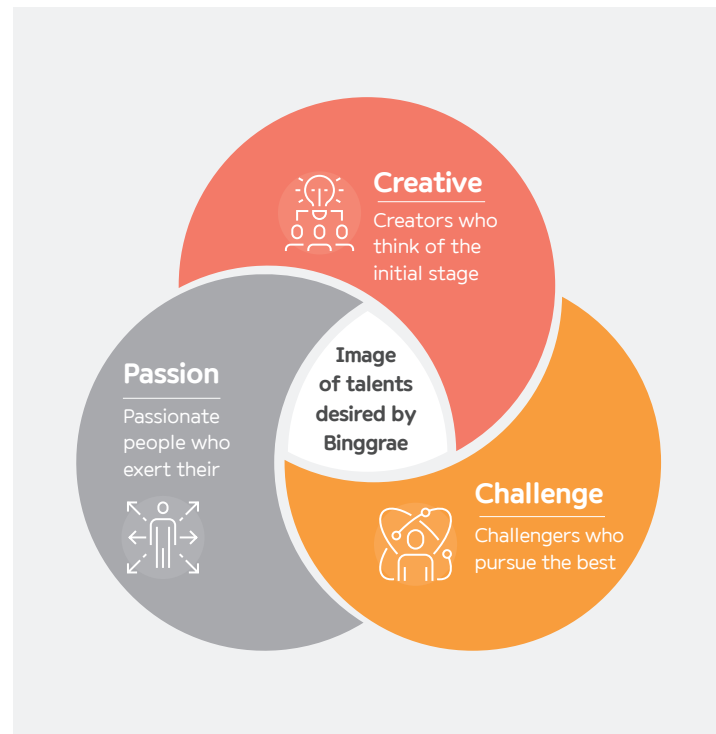
Culture Class

# EDUCATION OF EXECUTIVES AND EMPLOYEES & HR SYSTEM

## Development of human resources

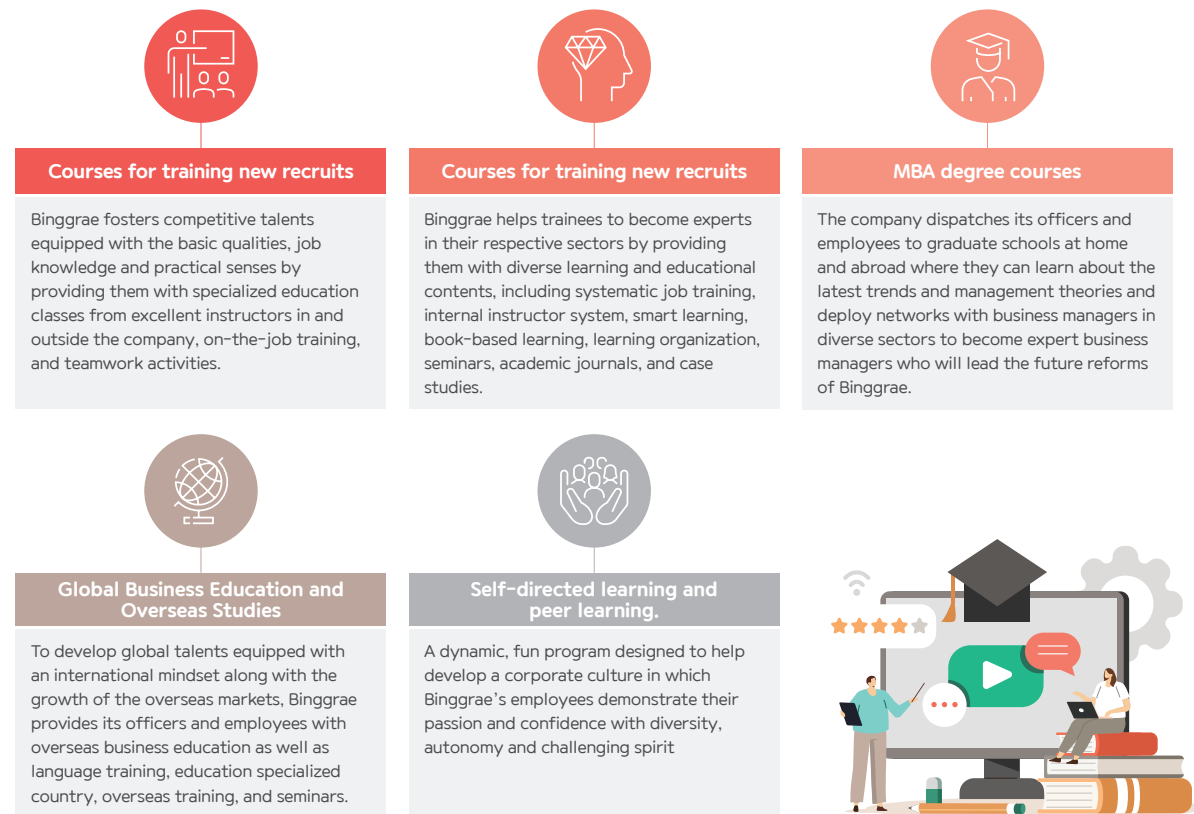
### Image of desirable talents

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.



## BC Talent Development System

Course Classification		Self-directed Learning・Peer Learning (Trend・Insight Global Smart Work)		Future Talent・Leadership		Duty		New Employee		HR・Legal	
Purpose of the Course		Learning Culture of Autonomy & Challenge		Future Leader Development (BC Leadership PGM)		Sales・Production		Sales・Production		HR・Legal	
E1~3		Leader		Professional		Associate-1		Associate-2			
External Training on Job Competency Reinforcement		Autonomous Study Group		BC Smart Learning (Competency Development Book Learning)		BC Language Program・Bingload (Overseas Training)		Biz. Trend Seminar			
				New Professional Course		New Leader / Appraiser Course		New Executive Course			
						Performance Management Leadership Course		Chief Executive Course (AMP)			
				University Consignment Course (MBA・R&D Master's/Doctor's Global)							
				SERI Knowledge Contents (CEO, PRO)							
FM/GA Job Course		Sales/Production Duty・Discussion Course		Sales/Production In-house Lecturer Development Course		New・Preliminary Sales Management Job Course		New Biz. Development Course			
Production Group Leader Job Course		Smart Factory Expert Development Course		Production Technology Course		Marketing Job Competency Reinforcement Course / Special Lecture by Advisory Professor		R&D Job Competency Reinforcement Course			
		Group Training on Career Employees		department OJT on Career Employees		department OJT on New Employees		Training on Transition to Permanent Position			
		Introductory Training on New / Internship Employees		Interviewer Development Training		Labor Negotiation Course					
		Safety Manager・(Import) Food Business Operator・AEO Export & Import Management Director Training		Training on Prevention of Sexual Harassment・Improvement of Awareness of the Disabled Person・Personal Information Protection							



## Performance of HR or talent development

### Education status

Classification	Unit	2020	2021	2022
Total no. of employees who received education	Persons	5,076	5,420	5,268
Education hours	Total education hours	82,386	84,593	74,324
	Education hours/person	51.8	52.8	46.3

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

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

\*\*\* 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	2020	2021	2022
Total no. of employees who received education	Persons	1,590	1,601	1,605
Education hours	Total education hours	1,000 won	533,481	644,887
	Education hours/person	1,000 won	336	403

\* 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



## HR management systems

We operate an HR management system based on roles rather than job grades to ensure 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)	The leader 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 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 against goals and an objective evaluation of each employee's contribution to our profitability and efforts for personal development. Also, we apply gender equality to all of our HR management systems, including its compensation and evaluation systems and pay structure.



Performance-based annual pay system



### Performance-based Annual Salary

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

HP Incentive



### 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.

DB Incentive



### Domestic Business Incentive

This profit-sharing system pays 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.

OB Incentive



### Overseas Business Incentive

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

Project Incentive



### Project Incentive

It is a compensation system specialized for the workers belonging to the research center in order to motivate them to perform 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



### 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.

# SAFE WORKPLACE

## 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

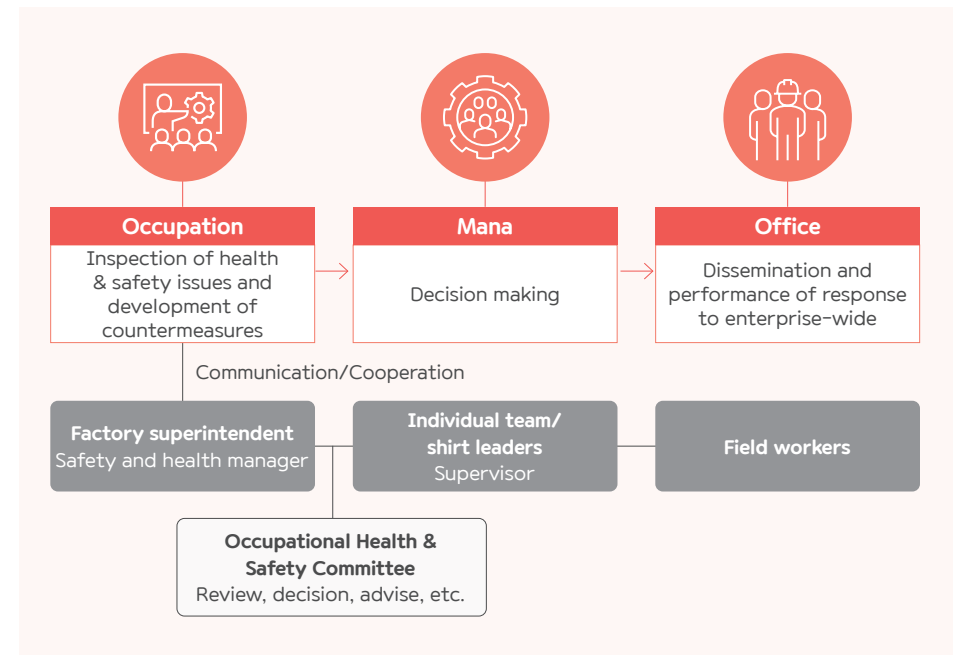
We regard safety in its business management activities as its top-priority value. It does its utmost to prevent safety accidents and occupational diseases among its employees and customers.

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 our employees' opinions on health and safety issues.
4. We steadily enhance 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.



### 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 workers' opinions 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, responding to various safety statutes and regulations.



## Mid- to long-term objectives and strategies for safety and health management

The mid- to long-term safety and health objectives and strategies that Binggrae aims to achieve starting from the year 2030 are as follows.

Vision of Safety & Health Management	Corporate Activities Prioritizing Safety & Health		
2030 Goal	Prevention of Safety Accidents and Occupational Diseases on the Employees & Customers		
2030 Goal Achievement Strategy	Until 2025	Until 2027	Until 2030
	Employees, Customers, Partners, Society		
	<ul style="list-style-type: none"> <li>• Stabilization of the Safety &amp; Health Management System               <ul style="list-style-type: none"> <li>- Providing periodic training on strengthening the professionalism of exclusive organizations and safety &amp; health personnel;</li> <li>- Performing improvement of cross-audit on safety &amp; health for each sector such as production, sales &amp; management, etc.</li> </ul> </li> <li>• Modernizing the Safety &amp; Health Management System               <ul style="list-style-type: none"> <li>- Providing training on strengthening the expertise of safety personnel for each department;</li> <li>- Performing risk assessment through participation by all employees and improvement rate management;</li> <li>- Management of safety &amp; health management process &amp; guideline;</li> <li>- Management of compliance rate on the laws related to safety &amp; health;</li> <li>- Maintenance of ISO45001 Certification through external audits</li> </ul> </li> <li>• Identification of Safety &amp; Health Risk Factors on Stakeholders               <ul style="list-style-type: none"> <li>- Annual investigation &amp; analysis of internal &amp; external issues and requirements of workers &amp; stakeholders;</li> <li>- Response performance verification &amp; re-assessment semi-annually (including the implementation of additional measures)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Identification of Safety &amp; Health Risks &amp; Improvement of Medium · High Risks               <ul style="list-style-type: none"> <li>- Completion &amp; maintenance of improvements;</li> <li>- Establishment of manual on processes &amp; detailed processes for each work</li> </ul> </li> <li>• Modernizing the Stakeholder Safety &amp; Health Risk Management System               <ul style="list-style-type: none"> <li>- Conducting safety inspections &amp; management measures at business sites;</li> <li>- Performance &amp; response to safety &amp; health capability evaluations of business partners residing or conducting business at Binggrae business sites (on a half-yearly basis)</li> <li>- Performance &amp; response to mandatory safety &amp; health capability evaluation on main partners (on a yearly basis)</li> </ul> </li> </ul> 	<ul style="list-style-type: none"> <li>• Autonomous Safety and Health Management               <ul style="list-style-type: none"> <li>- Supervision based on improvement cases for medium and high-risk groups and manuals for detailed manufacturing processes</li> <li>- Performance of safety and health tasks led by supervisors</li> </ul> </li> <li>• Establishment and Operation of the Integrated Safety and Health Management System               <ul style="list-style-type: none"> <li>- Performance-based, proactive confirmation of shared safety and health matters with partner companies</li> <li>- Ensuring safety and health beyond societal requirements such as regulations</li> </ul> </li> </ul> 

## Enhancement of business site safety and efforts to prevent accidents

### Safety education

We periodically conduct accident prevention training and education programs for our officers and employees 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, 2022

- **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: 35,361 hours / Total no. of recipients of education: 15,277 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. In addition to health support, such as medical examination for all employees, investigation on harmful factors to the musculoskeletal system and stress management, etc., general and comprehensive medical examinations are performed twice a year, and medical examination (performed every 2 years) of spouses above a certain age is performed in tandem with a view to ensuring health care of our employees and their families. Moreover, safety training on emergency measures is provided to our employees companywide annually five or more times under various safety themes, in addition to health training such as CPR, etc.



2022 Training on Response to Fires



2022 Safety & Health Training

### Rates of occupational fatalities and injuries

Classification	Unit	2020	2021	2022
Rate of occupational fatalities/injuries	%	0.22	0.22	0.21
Lost time incident rate (LTIFR)	No. of work days lost per 1 million work hours	1.72	0.86	1.30

\* Statistical data on the industrial accident rate by the Korea Occupational Safety & Health Agency

\* Accident rates have changed in 2020 and 2021 due to a change in the standard of accident frequency rate to the industrial accident approval date.

### Safety & Health Management System (ISO45001) Certification

Binggrae received the Safety & Health Management System (ISO 45001) Certification for operations based on the management policy of prioritizing safety and health as a high value. ISO 45001 is an international standard established by the International Organization for Standardization (ISO) for systematic management of the safety & health in an organization by forecasting and preventing preemptively various potential risks at business sites and establishing a healthy and safe workplace. Notably, measures to ensure the management of safety & health and active participation of workers through 'S-TOP Activity' were recognized as outstanding performances.

\* S-TOP Activity: As the system for stabilizing the safety culture of prioritizing safety, safety measures and actions at business sites are strengthened through positive reinforcement under the system of preventing safety accidents through cooperation and improvement between department members when risk factors are discovered.



Ceremony on Presenting the ISO 45001 Certification



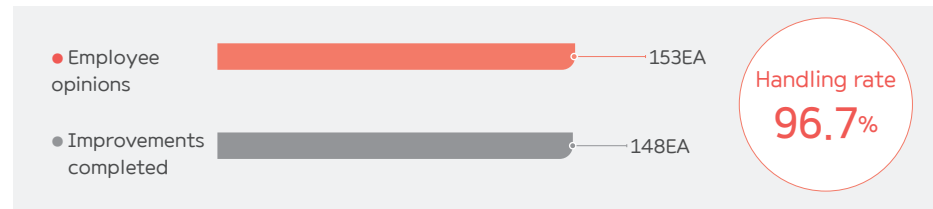
2022 S-TOP Activity



## Partner Safety & Health Evaluation & Management

Binggrae listens to the safety and health opinions of employees through the 「Partner Council in the Production Sector」 held twice a year annually, and through the 「Binggrae Procurement Portal」 website and 「Periodic Meeting on the Partners in the Purchase Sector」 operated regularly. Partner safety & health improvements are verified through these open communication channels, and improvements of the risks identified last year are checked. Moreover, 「ESG self-diagnosis checklist」 System to identify the risks in the safety & health sector.

### 「Partner Safety · Health-Related Opinions」 & Grievance Settlement Status in 2022



\* One opinion not completed with improvement was completed with improvement in February 2023, and the other four opinions are mid- to long-term improvement tasks that are difficult to resolve immediately.

### Code of Conduct in the 「Safety & Health Field」 for Binggrae Partners

- |  |   |
|--|---|
| ① Industry and Workplace Safety Management Responsibility                                    | ② Establishment of system in preparation for emergencies                            |
| - Prevention of industrial accidents/ occupational disease                                   |   |
| - Preventive training & education of executives and employees                                | ④ Workplace Hygiene Management Responsibility                                       |
| - Preparation of emergency exit & protective equipment for preventing safety accidents, etc. | - Production facility, sanitary facility, drinking water, meals & ventilation, etc. |

### Status of Reflecting Self-diagnosis in the Supply Chain and Certifications in the Evaluation

Classification	2021	2022
ESG Self-diagnosis checklist	Response by 46 companies	Response by 92 companies
Additional points applied in evaluation based on holding ESG related certifications*	15 companies	8 companies

\* ESG related certification: ISO14001, ISO9001, ISO45001, ISO37301, Green Technology and CCM Certification, etc.

## Binggrae Self-Diagnosis Checklist Areas in affiliates



### Safety & Health Assessment Area of Main Partners Residing at Binggrae Business Sites

1	Goal/ management policy	7	Training & records
2	Establishment of plan	8	Listening to opinions
3	Structure & responsibilities	9	Hazardous material/ equipment
4	Risk assessment	10	Emergency response
5	Safety inspection	11	Industrial accident status
6	Implementation verification		

Outstanding partners as a result of year-end comprehensive assessments are rewarded at year-end. Partners with high-risk items discovered are classified separately and improvements are recommended and checked after a set period to perform evaluations on the effectiveness of improvements. If required, training is supported by a Binggrae-dispatched expert, and contract qualifications are limited to vendors that show signs of improvement on serious risk factors or are not affected by safety accidents.

2022 Partner Safety & Health Assessment Sheet (Resident Partner)



Awards ceremony for outstanding partners

# REALIZATION OF PEOPLE-ORIENTED ENTERPRISE







## 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

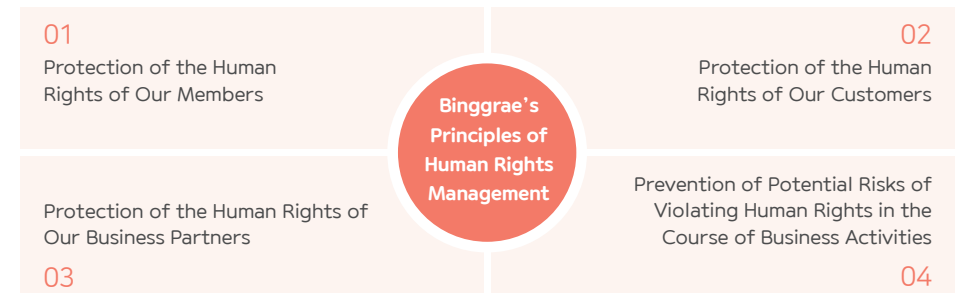
We recognize human rights as the most important universal value of humanity and also understand that human rights must be realized in our management activities. In addition, we support and comply with international standards and laws on human rights and labor, such as UN Universal Declaration of Human 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

<b>Respect for human rights</b>		We respect all employees as human beings and make active efforts to prevent any acts that violate human rights.
<b>Prohibition of discrimination</b>		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.
<b>Freedom of association</b>		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.
<b>Prohibition of forced labor</b>		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.
<b>Prohibition of child labor</b>		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.
<b>Working hours</b>		We comply with the labor laws on regular/overtime hours of each country and region in which we operate.
<b>Wages</b>		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.
<b>Occupational safety</b>		We are dedicated to creating a pleasant work environment and preventing safety-related accidents.

## Declaration and Principles of Human Rights Management

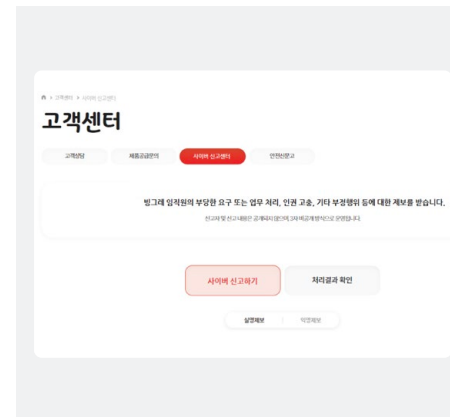
We have stipulated the Principles of Human Rights Management (4 major principles and 14 detailed principles) since establishing our Declaration of Human Rights Management on October 9, 2021, in order to respect human rights. The major, detailed principles of our human rights management can be found on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



## Operation of Cyber 「Human Rights Complaint Report」

In the official Bingrae website, Cyber 「Human Rights Complaint Report」 Center is operated to enable convenient access by anyone. In 2022, there was no report of an infringement of human rights.

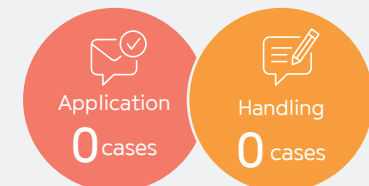
• Bingrae website → Customer Center → Cyber Report Center



### Human rights-related events/ accidents (2020~2022)

Human rights-related complaint application & handling status

**zero**


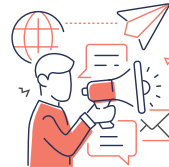



## Human Rights Management Team



## Mid- to Long-Term Goal & Strategy on Human Rights Management

The mid to long-term human rights management goals and strategies of Binggrae are specified below.

Vision of Human Rights Management	Realization of People-Oriented Enterprise Enabling Everyone to Smile like 'Binggrae'		
2030 Goal	Establishment of Sustainable Human Rights Safety Network		
2030 Goal Achievement Strategy	[Systematization of Human Rights Management] in 2022 <ul style="list-style-type: none"> <li>Establishing human rights management promotion system</li> <li>Declaration and announcement of human rights management</li> <li>Performing human rights impact assessment</li> <li>Providing relief procedures</li> </ul> 	[Activation of Human Rights Management] until 2025 <ul style="list-style-type: none"> <li>Extended application of human rights impact assessment</li> <li>Reinforcement of accessibility to external report channels related to human rights</li> <li>Establishing and building a consensus on the culture of respect for human rights</li> </ul> 	[Stabilization of Human Rights Management] until 2030 <ul style="list-style-type: none"> <li>Advanced prevention-centered human rights risk management</li> <li>Improving human rights management system and provision of virtuous cycle structure</li> <li>Maturity &amp; internalization of culture of respect for human rights</li> </ul> 

## 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 run 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 executives' and employees' mistreatment of another employee physically or mentally 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. Management and labor collaboratively check and prevent workplace bullying through such organizations as the labor union and 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 2022

### 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** : 1,613 employees



### Review of the 2021 education results and future plan



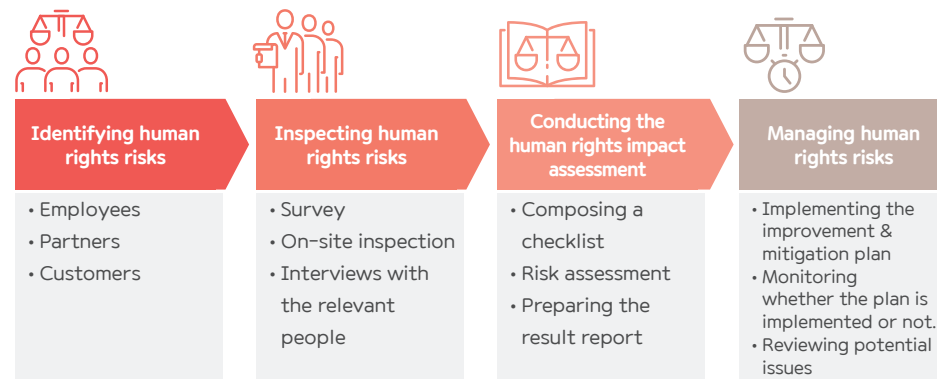
All employees received human rights education in 2022, with the constant encouragement of the company and the active participation of employees. Various methods of education, including face-to-face and online classes, were conducted according to the specific conditions of each business site. Binggrae 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 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 13 to 17, 2023
- **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

In 2022, the human rights impact assessment showed significant progress, increasing by 1.70 points compared to the previous year, reaching a score of 94.85.

The major improvements in the human rights management system in 2021 included expanding the application of the human rights impact assessment throughout the organization, enhancing the credibility of data, and improving responsible supply chain management. This involved considering the compliance with human rights protection when selecting and contracting with partner companies, conducting self-assessments on human rights protection for each partner company to prevent human rights violations, and monitoring the implementation and effectiveness of these measures, all of which were taken into account for the 2022 human rights impact assessment.

This year, the focus for improvement in human rights issues revolves around the establishment of a robust human rights management system and responsible supply chain management. Looking ahead, we will strive to strengthen human rights risk management for our partner companies by expanding the application of the human rights impact assessment, incorporating human rights provisions into standard contracts, and adding human rights criteria during evaluations. With these measures, we are dedicated to ensuring thorough human rights risk management in our operations moving forward.



## The human rights management system performance

### Status of human rights education

구분	Unit	2020	2021	2022
No. of employees who attended education	No. of persons	1,583	1,700	1613
Hours of education per person	Hours	2	2	3

\* Education on human rights : Prohibition of workplace bullying and sexual harassment, improving their awareness of the disabled person etc.

### Status of discrimination incidents discovered

Item	Unit	2020	2021	2022
Discrimination incidents	Case	0	0	0

### Status of violations of rights of local residents

Item	Unit	2020	2021	2022
No. of violations of local residents' human rights	Case	0	0	0
Relevant measures		0	0	0

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

Item	Unit	2020	2021	2022
All business sites		5	5	5
Business sites where risks have been identified	Freedom of association and collective bargaining	0	0	0
	Child labor	0	0	0
	Forced labor	0	0	0
	No. of sites			



# NO.1 CUSTOMER SATISFACTION COMPANY

## 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

Offering customers the best value

##### Health and happiness

Pursuit of the highest quality

##### Integrity and trust

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.



## Binggrae Ethical Management Policy

### Responsibilities to customers

Trust built with customers must be emphasized with a clear belief that customers are the foundation and reason for our existence, and customer safety and health are pursued through ethical products.

#### 1. Reliability with customers

- Only truth must be told to customers, and the promise with customers must be honored.
- Information that the customers must know or be informed shall be disclosed actively.
- Customer information shall not be released without the consent of the customer and shall not be used for other than authorized purposes.

#### 2. Customer satisfaction

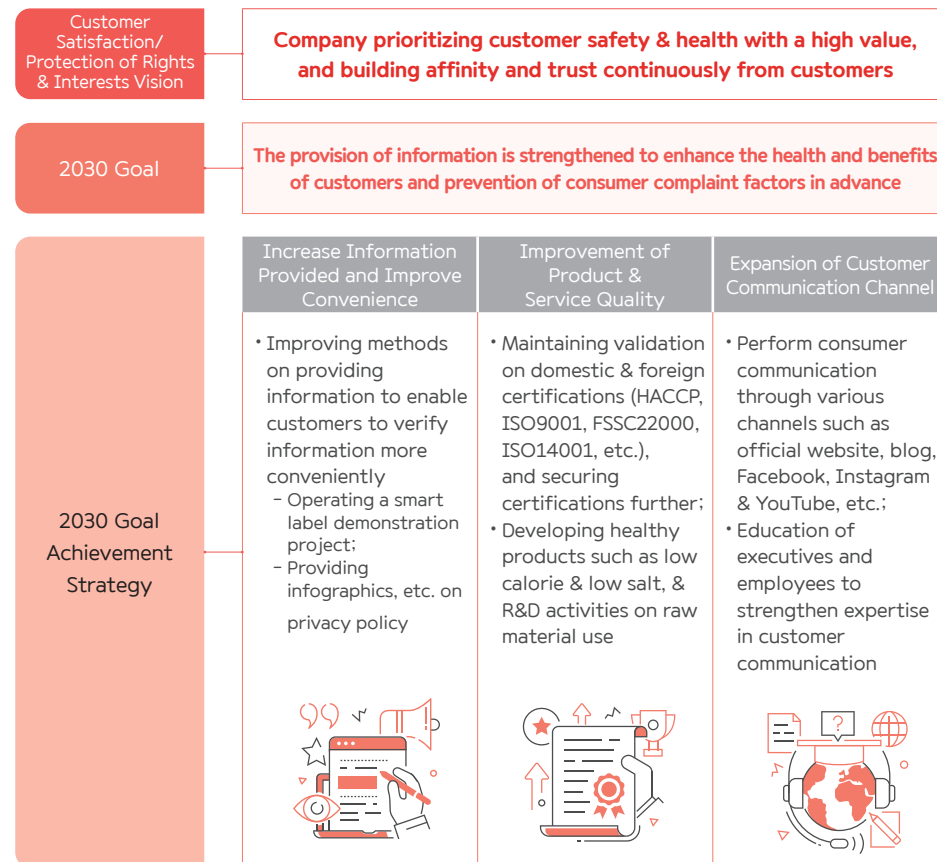
- True value providing practical help and satisfaction to customers must be created continuously.
- Top-quality goods and services preferred by customers must be provided at reasonable prices.
- Customers' opinions must be listened carefully at all times, the genuine needs of customers are always considered to be right, and customer satisfaction shall be prioritized on a high standard for all judgments and actions.
- To enable customers to submit complaints or proposals at any time conveniently, various communication channels must be secured and opened, and reasonable demands of customers must be responded quickly and accurately.
- When having a conflict of interests between the customer and the company, the customer's position must be considered first for judgment.

#### 3. Protection of customers' information

- Personal information of customers must be limited to the contents agreed by the customer for use.
- Employees and relevant personnel handling the customer information must comply with the Personal Information Protection Guideline and relevant laws.

## Mid- to Long-Term Goal & Strategy on Customer Satisfaction and Protection of Rights & Interests

The mid- to long-term goals and strategies on customer satisfaction and protection of rights and interests promoted by Binggrae are specified below.



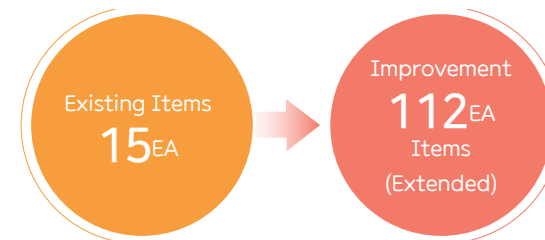
## Active Two-way Communication with Customers

### Customer-participatory campaigns and marketing

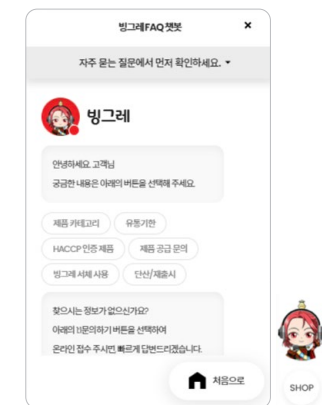
We stage eco-friendly campaigns in which customers can participate, reflecting their growing interest in eco-friendly consumption. In 2022, the Banana-Flavored Milk “Everyday Danbansa” Campaign was launched for children to gather the PS material plastic including the bottles of the Banana-Flavored Milk, and collected plastic bottles were made into a “Danditbul (Meaning Bottle + Firefly)” in the shape of a Banana-Flavored Milk bottle. The “Danditbul” were given to the children as a reflective mirror for traffic safety.

### Convenient Customer Service through ‘Easier Interface Development’

During the reorganization of the official website in 2022, various interfaces were improved to enable customers to resolve their inquiries more easily and quickly. First, customers’ FAQ (frequently asked questions) were classified into groups for each product, and best questions were gathered to enable customers to find solutions quickly.

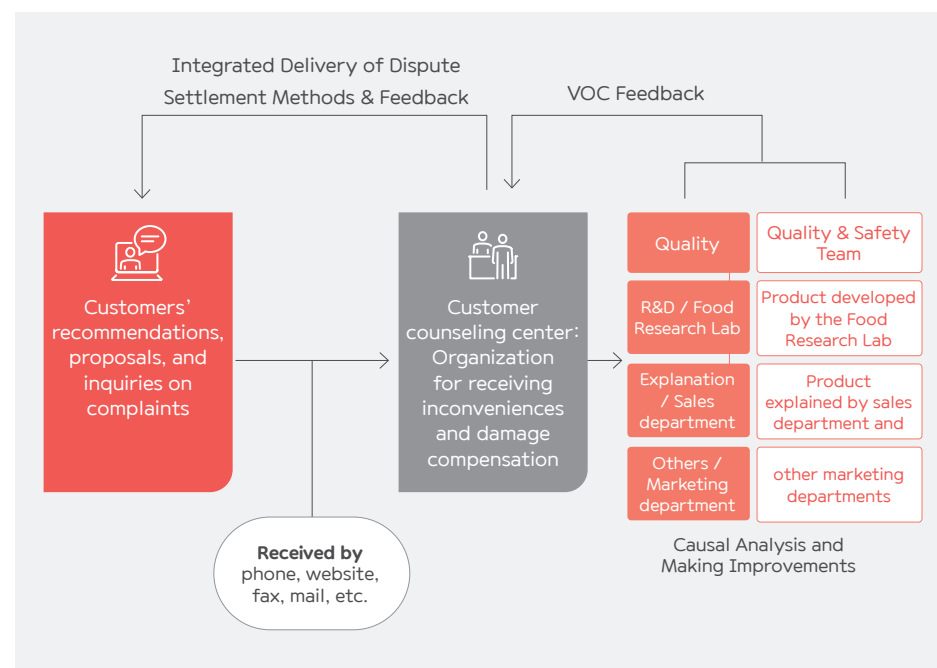


Moreover, FAQ Chatbot System was introduced to provide 24-hour service to customers to ask major questions regardless of the service hours.



## 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 to minimize customer complaints and preventing their recurrence. We reflect our customers' opinions in developing of our products and improving the manufacturing process, by sharing the data collected from them with the departments concerned in the form of daily reports.



## VOC performance

Classification	Orders	Product inquiries	Operational alliances	Product used	Service management	Events
2021	2700	3400	900	6100	2000	300
2022	2600	3500	700	6000	2000	10300

## 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 considers each case's seriousness.

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

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

## Cases of Product Improvement by Reflecting the Opinions of Customers

2022.3

Packaging

Q. It is difficult to pay for the product because the barcode is on the folding side of ice cream packaging.

- **Improvement Details** : To prevent the packaging from covering the barcode, the barcode location was moved for convenience of scanning.

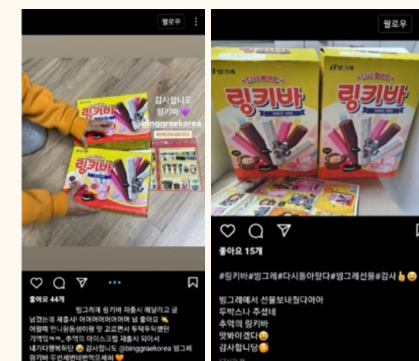


2022.4

Idea

Q. I wish that the old Linky Bar is re-launched.

- **Improvement Details** : The Linky Bar is a product highly favored by customers consistently to receive over 140 cases of VOC annually on requesting the re-launch of the Linky Bar. In 2022, Binggrae held an event on enabling customers providing the inquiry to meet the product first before the re-launch and sales of Linky Bar.





## Protection of customers' personal information and privacy

On handling the personal information of users, Binggrae is establishing technical/administrative measures to prevent loss, theft and leakage of personal information, and also to prevent external attack and hacking, etc.

The CIO (chief information officer) of the company is appointed as BOD member, which is the top management team, and the highest level of stability and expertise is secured over many years of work experience and by undergoing training on related expertise.

The personal information of customers is strictly protected in all communication channels, and as a result, there have been no accidents related to customer information for the last 5 years.

### Details of Implementing Technical/ Administrative Measures for Personal Privacy Protection in 2022



### Investment Scale in the Information Protection Field in 2022



### 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](mailto:privacy@bing.co.kr) -Website: 1:1 inquiries
  - You can check Binggrae's Personal Information Processing Policy
  - at : [www.bing.co.kr/support/privacy](http://www.bing.co.kr/support/privacy)
- Investment Scale in the Information Protection Field in 2022

### Practice Guideline on Customer Information Protection in the Binggrae Ethics Charter

- ① Information on all stakeholders of the company shall not be used for purposes other than the authorized work.
- ② All personal information received from the customers shall not be provided externally without their consent.
- ③ Employees and relevant personnel handling customer information must comply with the Personal Information Protection Guideline and relevant laws.

## Binggrae Personal Information Protection Infographics

To enable anyone using Binggrae communication channels to understand the minimum cautions for personal information protection conveniently, the relevant details are provided through the website infographics.

### Easy-to-Understand Binggrae Personal Information Protection Policy



#### Personal information items collected by Binggrae and purpose of collection

When personal information collection is required  
Customer inquiry, product delivery and participation in events, etc.

Through the website & phone, etc.

Personal information is collected in minimum through the mandatory/ optional items

#### Destruction of personal information

When the retention period is passed, collected personal information is disposed through technical methods to prevent regeneration

Rights to personal information of the users and legal representatives are specified below.

Browsing the stored personal information

Correction/ deletion of personal information

Discontinuance of personal information processing/ withdrawal of consent

### Method of requesting the exercise of rights as to personal information

Measures will be taken immediately when contacted through the Customer Service Center Menu on the website, or through phone or email to the department in charge of personal information protection.

• Tel. No.: 82-2-2022-6081 • E-mail : [privacy@bing.co.kr](mailto:privacy@bing.co.kr)



Go to 1:1 Inquiry in the Official Website



Go to Privacy Policy

## Development & Investment for Creating Healthier and High Quality Products

To provide healthier and high-quality products to customers, Binggrae continues earnest efforts to secure top quality through continuous investment on facilities, equipment and R&D and by reinforcing the quality control system.

As a result of continuous efforts for product development, various health-functional food and health-oriented food have been launched recently through the integrated health brand, Tft. Binggrae will continue the challenge for expanding the health category until 2030 and to develop various products with an emphasis on the health and tastes of customers.

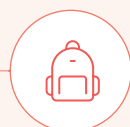
A health brand wishing for customers' health was created with three core values **(taste, function, trust)**.



On the Table



Working Desk



Inside the Bag



Before & After Exercise



Taste

### For pleasure in the moment of enjoying consistently & deliciously,

To enable customers to have the habit of enjoying good products continuously, Binggrae will break free from the stereotyped products to continue researching the methods for enabling everyone to enjoy delicious tastes.



Function

### For practical support to health,

Along with using raw materials certified of the effects, content will also be considered sufficiently to continuously discover customized functional products for each gender, age, and job characteristics, and efforts to find new functional raw materials will be continued.



Trust

### For trust in enjoying our products,

Highest quality and strict safety management based on over 50 years of long food manufacturing know-how. Binggrae will develop trusted products that can be enjoyed without concerns except for choosing products according to personal preference.

## R&D expenses

(Unit : million KRW)



## "VIVACITY", perfect harmony of 'Taste' and 'Health'



VIVACITY is a health brand with the core value on 'Taste' and 'Health'.



Based on the functional raw materials certified by MFDS (Ministry of Food & Drug Safety), even the supplementary materials are designed in detail according to everyday concerns.

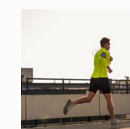


VIVACITY supports the health of women living their daily lives with diligence.

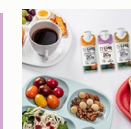
## The perfect protein for supplementation, "The:DANBAEK"

As the specialized protein brand developed by **Binggrae** "The:DANBAEK" is a compound word of "The" meaning 'Add' or 'Fill', and "DANBAEK" meaning "Protein" in Korean, in the pursuit of good taste and health through systematic product design.

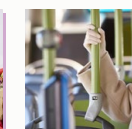
The Moment The:DANBAEK is required, supplement the delicious protein conveniently anytime, anywhere!



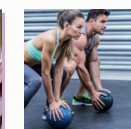
After a short walk and jogging



When feeling lack of protein from the meal



To supplement health in a busy morning or hungry afternoon



When supplementation of protein is required immediately after a light exercise or exercise of muscles

## 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 safe products and service 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

Binggrae 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.

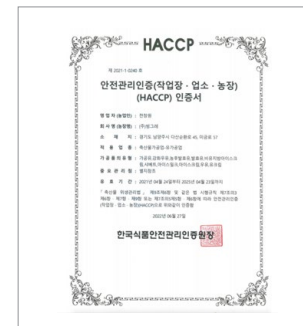
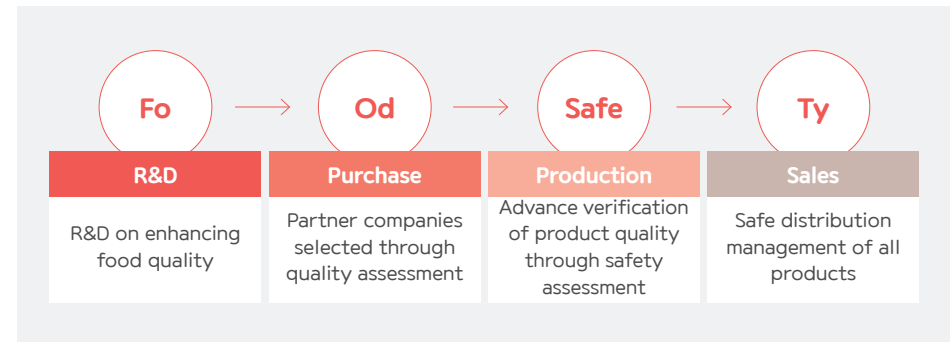
1. All production and sales activities must comply with all of the food-related statutes, company standards, and requirements of its food safety management system.
2. All new products of any food brand the company produces and sells must be released only after securing food safety by removing all risks 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

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.

#### Quality and safety value chain



Certificate of "Best HACCP Milk Collection Site"



Certificate of "Quality Business"



FSSC 22000 certificate

## Binggrae's promise

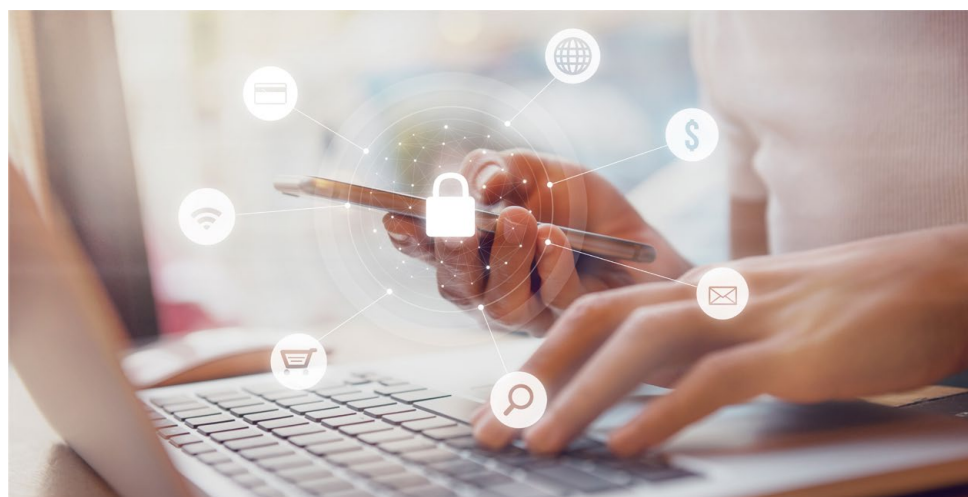
We have not committed a single violation or breach of the statutes related to the protection of customers' personal information and false or exaggerated advertising in the past three years. We will continue doing our utmost to comply with all the related statutes and internal policies in the future.

### Protection of customers' personal information

Classification	Unit	2020	2021	2022
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	2020	2021	2022
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 FOR SUSTAINABLE SUPPLY CHAIN MANAGEMENT

## Win-win growth

As We source our raw materials from diverse suppliers to manufacture food items, stable supply network management 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

Binggrae has established procedures for selecting and managing 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

Binggrae has 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

Binggrae has 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

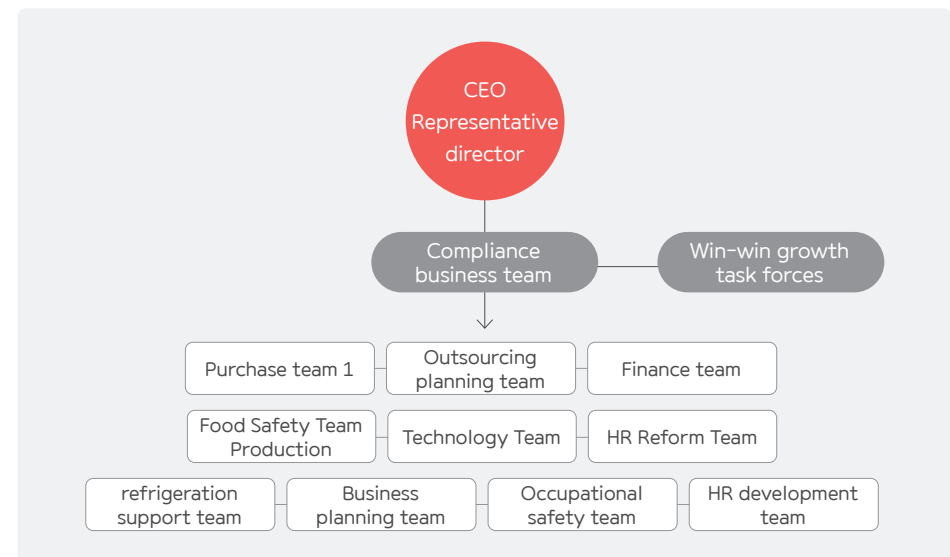
#### Rules on entering into desirable contracts

Binggrae has 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.



\* For further details about the win-win growth rules, consult the company's website: ([www.bing.co.kr/esg/value](http://www.bing.co.kr/esg/value)).



## Win-win growth activities and programs

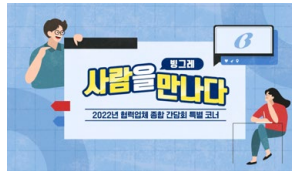
We implement diverse programs to strengthen our communication with and support for our partner companies, such as raising a win-win growth fund, holding meetings with them, and organizing win-win concert conferences.

- Signing of fair-trade agreements.
- Meetings with partner companies.
- Introduction of win-win payment and performance-sharing systems.
- Introduction of a 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 the system to notify employees about key information



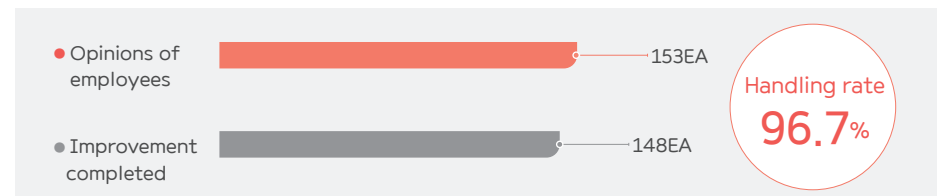
## Raising of win-win fund

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 our 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 and 2022, the usual annual meetings were switched to online meetings due to the COVID-19 pandemic and included interviews using video content.



\* One opinion not completed with improvement was completed with improvement in February 2023, and the other four opinions are mid- to long-term improvement tasks that are difficult to resolve immediately.

## “Happy Together with the Partners!” Operation of Partner Communication Channel culture concert, New Year’s Eve party

We conduct diverse programs with our partner companies each year, 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. And during the COVID-19 crisis in 2021 and 2022, Binggrae products were supported to the suppliers and business partners to help overcome their challenges.



Partner Communication & Support in 2022



## Provision of customized support based on an 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 2022 superior partner companies



- Partner companies subject to appraisal : 206 companies
- Selection of superior partner companies : 7 companies (Bande Printing Co., Ltd. etc.)
- Commendation : 17 million won in prize money awarded directly

## Status of transactions with and support for partner companies

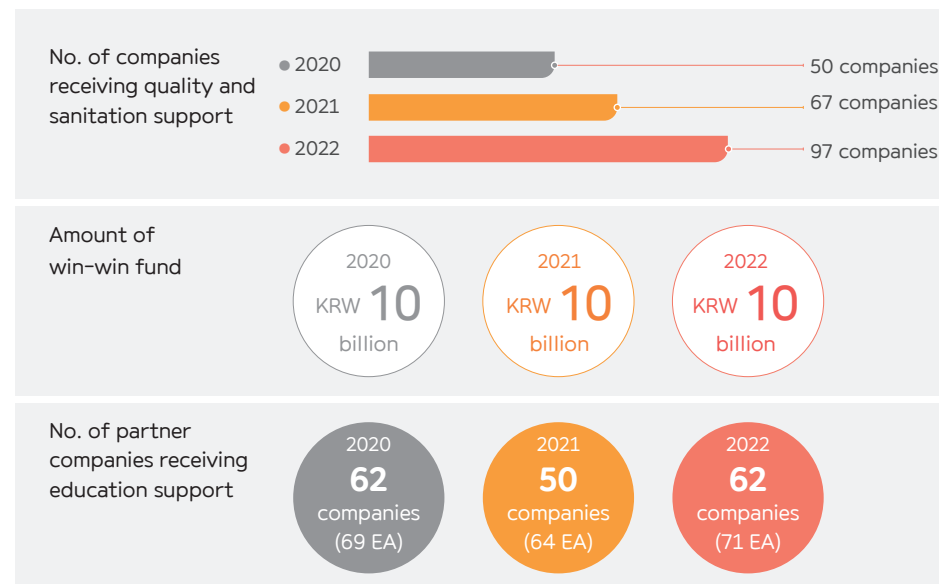
We have formed a win-win growth task force to provide support (i.e., technology, funds, and education) to partner companies. The following table shows our support for partner companies in the past three years:

### Status of transactions with partner companies

Classification	Unit	2020	2021	2022
No. of partner companies	Companies	250	256	264
No. of key partner companies	Companies	64	59	54
Total amount purchased	100 million won	1,182	1,235	1,323

\* Key partner companies : Partner companies that have signed a fair-trade agreement with Binggrae

### Status of support to partner companies



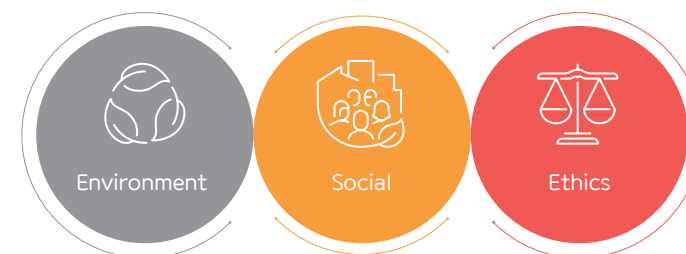
## Partner ESG Self-Diagnosis Performance Status

Binggrae distributes the ESG self-diagnosis checklist to enable business partners to perform self-inspections, and certifications held by business partners are reflected in the evaluations.

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

Classification	2021	2022
ESG self-diagnosis checklist	Response by 46 companies	Response by 92 companies
Additional points applied in evaluation according to holding the ESG related certifications*	15 companies	8 companies

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



### Summary on Result of Response to ESG Self-Diagnosis

- 1) Period Subject to the Survey: 2022
- 2) Survey Period
- 3) Reply received from 92 companies among the total of 192 partners



# CORPORATE SOCIAL RESPONSIBILITY (CSR)



## “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

Share, Smile, Support, Binggrae Go

### Core values,

Share

Smile

Support

### focused support targets

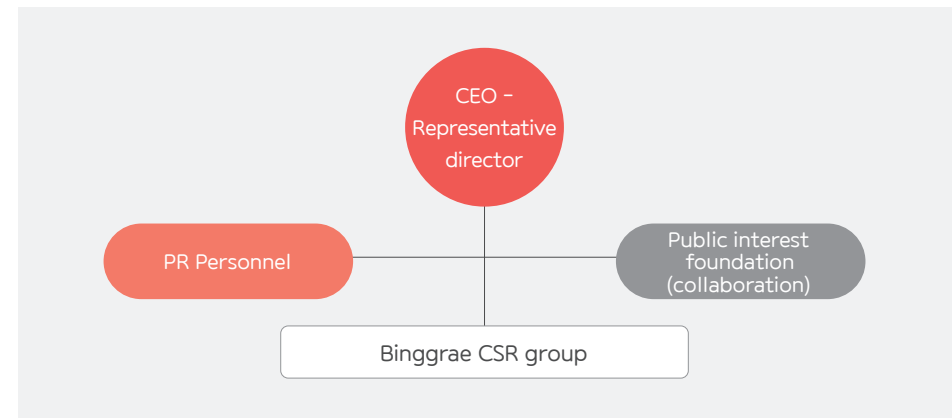
Women, children, and  
socially alienated people

Families facing a crisis

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.



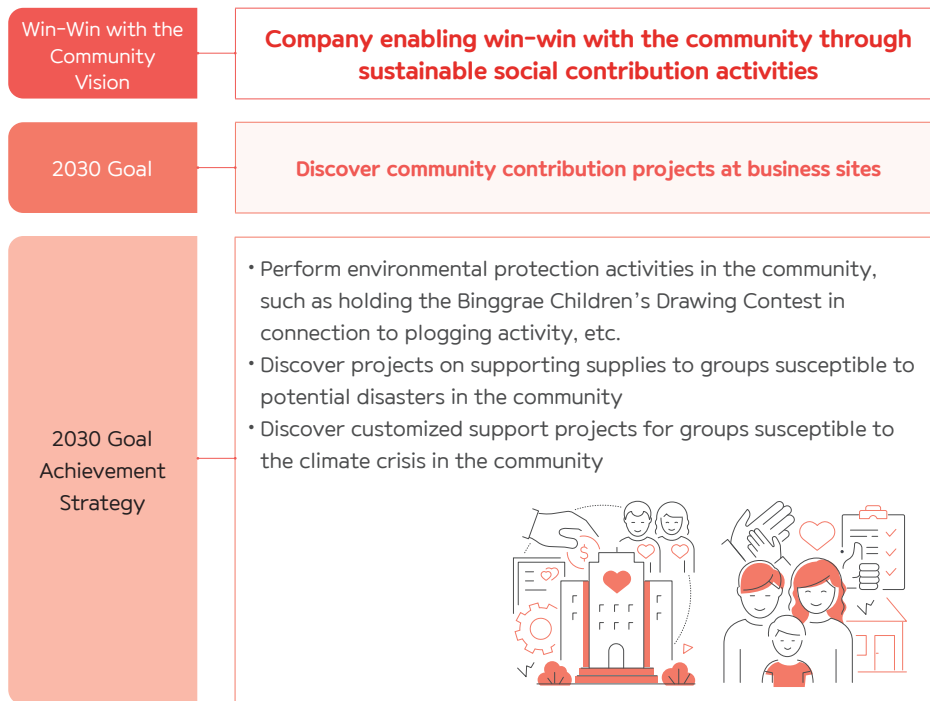
Social Contribution Activities with the Korean Red Cross by the New Employees in 2022

## Binggrae Ethics Charter ‘Contribution to the Community’

- ① Contributions are made to the community development by creating jobs through ethical corporate activities.
- ② Welfare facilities are opened to the local residents near business sites, and neglected class is supported.
- ③ Employee participation in community activities is recommended and supported to promote the sense of cohesion between the company and community.
- ④ Activities in connection with NGO is reinforced.

## Mid- to Long-Term Goal & Strategy on Win-Win with the Community

The mid- to long-term goals and strategies on win-win with the community promoted by Binggrae are specified below.



## Social Contribution Activities by Binggrae



**“Let's create a world where people smile Binggrae with loving hearts!”**

– Dosan Ahn Chang-ho

### Binggrae Children's Drawing Contest

Binggrae Children's Drawing Contest open to participation by all children, is a festival for fresh-minded and bright-eyed children to present their dreams and imaginations freely and to share love and happiness among families.

In 2022, the contest was held in Cheonan-si, Chungcheongnam-do, on the theme of 'Independence', and the event was divided into three groups of kindergarten, lower grades of elementary school, and higher grades of elementary school.



No. of Participants

2,581  
persons

KRW 160  
million

Event Support Amount



### Support for the Korean Red Cross since 2013

Binggrae has sponsored the Korean Red Cross since 2013 by donating ice cream and dairy products or by donating some of the proceeds from product sales. On the 'Windmill of Hope' Project run by the Korean Red Cross for relief support of families in crisis such as illness, unemployment and accidents, etc., Binggrae donated KRW 200 million in 2019 and KRW 300 million in 2020. In 2021, a total of KRW 300 million was donated to support the 'Windmill of Hope' Project, and other projects supporting the socially marginalized class. In 2022, rice and supplies amount to KRW 300 million were donated to people vulnerable to disasters, including the forest fire victims in the Gyeongbuk and Gangwon regions.



### We distribute Korean fonts embodying the corporate ideal of health, happiness and smiles since 2016

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.



### Activities to Promote and Develop the Spirit of Independence Movement & National Culture

In 2011, Binggrae established the non-profit Binggrae Public Welfare Foundation for social contribution in order to develop human talents contributing to development of the country and citizens and to support the academic research activities for leading the future through the corporate scholarship program for descendants of independence activists, patriots and veterans. Moreover, sponsorship is provided to organizations promoting independence activists and patriots, including the Lee Bong Chang Memorial Association and organizations collecting and preserving basic data on Korean studies. Through these activities, Binggrae contributes to discovering, promoting and developing the spirit of independence, patriotism, and traditions of the national culture.



### Scholarship Programs to Descendants of National Patriots & Veterans

In 2019, the Binggrae Public Welfare Foundation signed an agreement on scholarship grants with the National Police Agency in support of descendants of independence activists and patriots associated to the police agency, and from 2021, the scholarship program's eligibility was expanded to the children of police officers who gave their lives on duty, and the scholarship amount was increased in tandem. In 2022, KRW 40 million in scholarship funds was provided to a total of 26 eligible students, including 13 descendants of independent activists and patriots and 13 children of police officers who gave their lives on duty, etc.



# GLOBAL INTEGRITY

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

82 TRANSPARENT GOVERNANCE AND RISK MANAGEMENT

88 REALIZATION OF A TRANSPARENT AND ETHICAL ORGANIZATIONAL CULTURE



## Key Performances, 2022



**33.3%**

Percentage of external directors



**18 times (100%)**

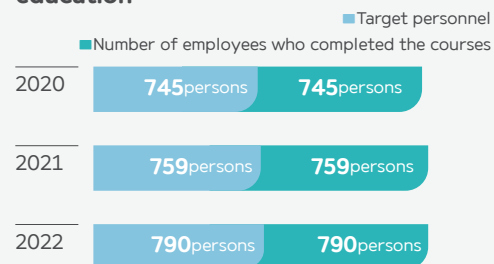
Number of board meetings held and attendance rate



**4 times (100%)**

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

## Performance of internal anti-corruption education



The compliance management system (ISO 37301)  
Acquisition of certification  
2022.5



# TRANSPARENT GOVERNANCE AND RISK MANAGEMENT

## Organization of the board of directors

The members of the BOD are elected by the shareholders' resolution at a general shareholders meeting; the candidates for the board of directors are selected through the recommendation of the BOD. The BOD should be composed of three to eight directors, and the number of external directors shall be more than a quarter of the total number of 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 through a general shareholders' meeting. External directors may continue to serve for up to six year. 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.

## Independence of board directors

The Board of Directors has the authority to decide on matters stipulated in laws or the Articles of Incorporation, business affairs delegated through the general shareholders' meeting, and important matters related to the company's management policy and business execution, and to supervise the execution of duties of directors and the chairman. Director candidates to be appointed at the general shareholders' meeting are recommended and selected by the board of directors and finalized as an agenda to be submitted to the general shareholders' meeting. There is no committee dedicated to recommending external director candidates. As for external directors, candidates are selected from the company's talent pool, which consists of carefully selected personnel based on internally or externally sourced recommendations. These candidates are recommended and nominated on the basis of expertise, independence, and responsibility through a screening process based on internal criteria, and then appointed with the approval of the General Assembly.



## Current organization of the board of directors

(as of March 23, 2023)

Classification	Full name	Gender	Birthdate	Career profile	Term of service
Executive or internal director	Chang-won Jeon	Male	1961	Current Representative Director – CEO, Binggrae Former vice-president, business management, Binggrae	2023.03 ~ 2026.03
	Hoyeon Kim	Male	1955	Current Chairperson, Binggrae Former CEO – Chairperson, Binggrae	2023.03 ~ 2026.03
	Jeonghwan Park	Male	1958	Current leader of the new factory promotion group Former managing director, procurement, Binggrae	2022.03 ~ 2025.03
	Ganghun Choi	Male	1966	Current executive director, management planning, Binggrae, external director, miscellaneous, Haitai Ice-cream Co., Ltd. Auditor, BC F&B Shanghai Co., Ltd. Former executive director, refrigeration business, Binggrae	2021.03 ~ 2024.03
External director	Myeonggil Kang	Male	1953	Current Non-external director of Binggrae, CEO of Road Farm	2021.03 ~ 2024.03
	Oh Dae-shik	Male	1954	Current) External director of Binggrae/ non-standing auditor of Mezzion Co., Ltd.	2022.03 ~ 2025.03

\* 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 chairperson convenes the board meetings by notifying the directors and auditors a week in advance. 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 their 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 with 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.

### Evaluation of board operation & personal evaluations of external directors

Through objective and fair evaluations on a yearly basis, internal reviews are conducted as to whether the Board of Directors (BOD) operates efficiently and independently, with areas for improvement to be identified for the following year. The main areas of the BOD evaluation include assessments on job performance, independence and board operations, and proposals for its improvement. Moreover, the caliber of independence of external directors, integrity in job performance, professionalism and corporate ethics are evaluated through personal evaluations of external directors.

### Director's professional support

All directors, including external directors, entitled to receive support from professional experts at the company's expense, if necessary, as stipulated in the BOD regulations.

### Subscription to directors' liability insurance

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

## Number of board meetings held in 2022 and rate of attendance

In 2022, we held a total of 18 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 2022

Sequence	Dates held	Details of Key Agendas
1	22.01.07	<ul style="list-style-type: none"> <li>Approval of the Report on the Health and Safety Plans for 2022</li> <li>Approval of donation payment</li> <li>Latter half of 2021 Reporting of the results of the periodic risk assessment of the Fair-Trade Compliance Program.</li> </ul>
2	22.01.28	<ul style="list-style-type: none"> <li>56th term (2021.01.01~2021.12.31) Approval of the financial statements and business report</li> <li>Report on the results of the assessment of the operation of the internal accounting management system in 2021.</li> </ul>
3	22.02.08	<ul style="list-style-type: none"> <li>Extension of bank electronic factoring loan agreement</li> </ul>
4	22.02.18	<ul style="list-style-type: none"> <li>Appointing compliance officer &amp; enacting management policy</li> <li>Report on the results of the inspection of the compliance control guidelines in 2021</li> <li>Report on the results of the auditor's assessment of the report on the operational status of the internal accounting management system, 2021.</li> </ul>
5	22.02.25	<ul style="list-style-type: none"> <li>Approval of the 56th (2021.1.1~2021.12.31) financial statements &amp; business reports</li> </ul>
6	22.03.04	<ul style="list-style-type: none"> <li>56th term regular general shareholders meeting.</li> </ul>
7	22.03.30	<ul style="list-style-type: none"> <li>Determination of remuneration for external directors</li> <li>Amendment to the board's operating regulations</li> </ul>
8	22.04.27	<ul style="list-style-type: none"> <li>Enacting corporate governance charter</li> </ul>
9	22.05.11	<ul style="list-style-type: none"> <li>Report on business performance in Q1 2022</li> </ul>
10	22.05.24	<ul style="list-style-type: none"> <li>Approval of transactions between the company and its directors, etc.</li> </ul>
11	22.05.27	<ul style="list-style-type: none"> <li>Approval of management review report on compliance management system (ISO37301)</li> </ul>
12	22.07.06	<ul style="list-style-type: none"> <li>Report on publication of the 2022 Sustainability Report</li> </ul>
13	22.07.20	<ul style="list-style-type: none"> <li>Report of results of 2022 first half periodic risk assessment of Fair-Trade Compliance Program</li> </ul>
14	22.08.09	<ul style="list-style-type: none"> <li>Report of 2022 first half year business performances</li> </ul>
15	22.10.12	<ul style="list-style-type: none"> <li>Extension of maturity of agreement with banks on import transactions</li> <li>Branch office transfer</li> </ul>
16	22.11.10	<ul style="list-style-type: none"> <li>Extension of maturity of agreement with banks on import transactions</li> <li>Approval donation</li> </ul>
17	22.12.14	<ul style="list-style-type: none"> <li>Determination of closing date of a shareholder register</li> </ul>
18	22.12.28	<ul style="list-style-type: none"> <li>Approval of internal transactions between directors &amp; the company</li> <li>Report on non-financial risk (ESG) review results in 2022</li> </ul>

## 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 2022, with all of the external directors in attendance.

### Education conducted for external directors

Date of education program	Provider	Key contents
March 24, 2022	Compliance Management Team, Office Services Team	• 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.).
May 13, 2022	Internal Audit Management Team	• Internal control
August 2, 2022	Compliance Management Team	• Understanding of BC Ethical Management. • Compliance Training
October 28, 2022	Compliance Management Team, Office Services Team	• Commentary on key amended statutes in 2022, education on unfair trade.

### Support team for external directors' efficient performance of their duties

Name of department (team)	Persons	Position/years of service (Period of support service)	Contents of key activities
Office Services Team	3	Team leader 20 years (4 years), two professionals 14 years (8 years)	• 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 exercising 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	–	–	56th term (2022) regular shareholders' meeting)

### Notice and announcement for the 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 agenda items for selecting candidate directors at the general shareholder's meeting by separating them one by one.



## Election of independent auditors

We do not have an audit committee. An auditor appointed by a resolution by a general shareholders' meeting performs the audit of finances and operations.

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

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 shareholders 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, their 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, they may be reappointed 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. They supervise 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)	Key contents of the election guidelines	Compliance/ Noncompliance 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

## Audit education and support organization

To ensure the efficiency of auditor's service, we appoint an audit team to support the auditor's performance of the audit duties. We also conducted audit education on four occasions in 2022.

### Status of audit education

Date of education program	Provider	Key contents
March 24, 2022	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.).
March 13, 2022	Internal Audit Management Team	• Internal control
August 2, 2022	Compliance Management Team	• Understanding BC Ethical Management. • Compliance Training
October 28, 2022	Compliance Management Team, Office Services Team	• Commentary on the key amended statutes in 2022, education on unfair trade.

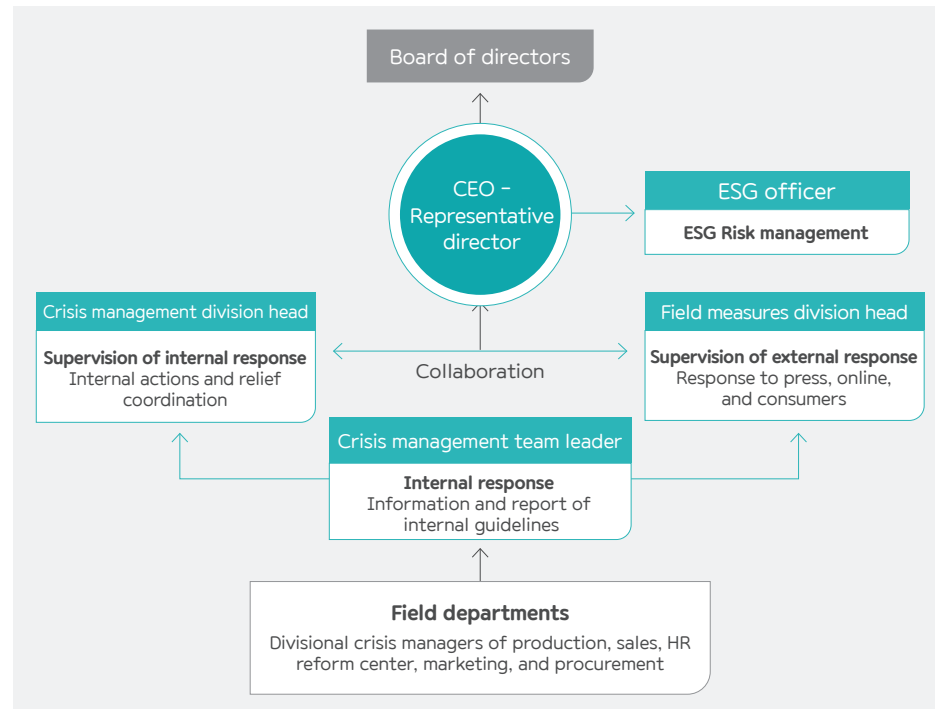
### Audit support team

Name of department	No. of employees (persons)	Position & tenure (years) (Period of support work)	Key contents
Audit team	3	Team leader 1 person (2 years) two professionals (3 years)	<ul style="list-style-type: none"> <li>• Support for assessment of internal account management</li> <li>• Support for assessment of internal monitoring devices</li> <li>• Support for board activities</li> <li>• Support for other audit duties</li> </ul>

## Risk Management

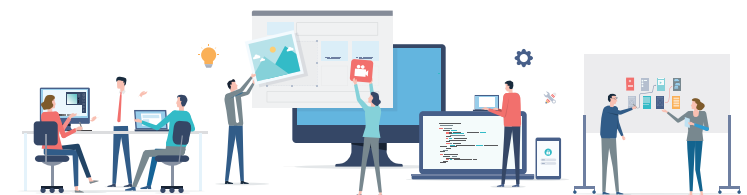
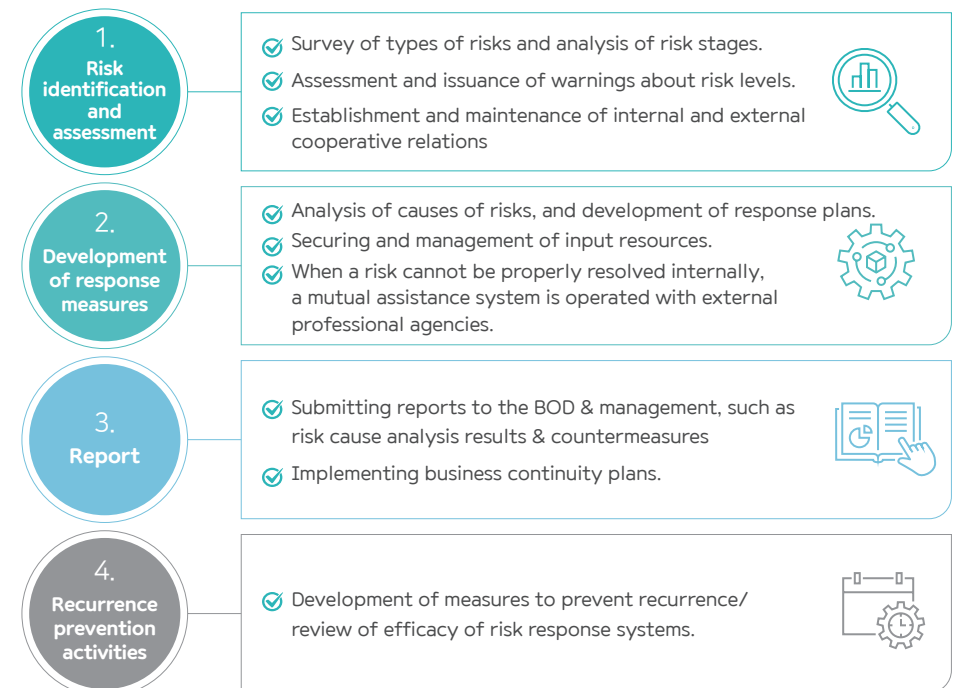
### Risk Management System

Binggrae reviews and manages potential financial and non-financial risks classified by the Board of Directors throughout the full management process, and carries out preemptive activities through a cooperative system of departments in charge of ESG in each field. The scope of corporate risk is expanded beyond traditional risks, such as legal, tax, safety, and quality control, in the past to various financial and non-financial risks, such as environment, social responsibility, win-win issues, and information protection. Accordingly, we are prepared for swift responses to potential crises through situational process establishment and simulation training. The Crisis Management Team identifies risk exposures from the four perspectives of human damage, legal violation, financial loss, and external image damage, and immediately shares and reports them to senior management and the departments concerned.



### Risk management process

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.



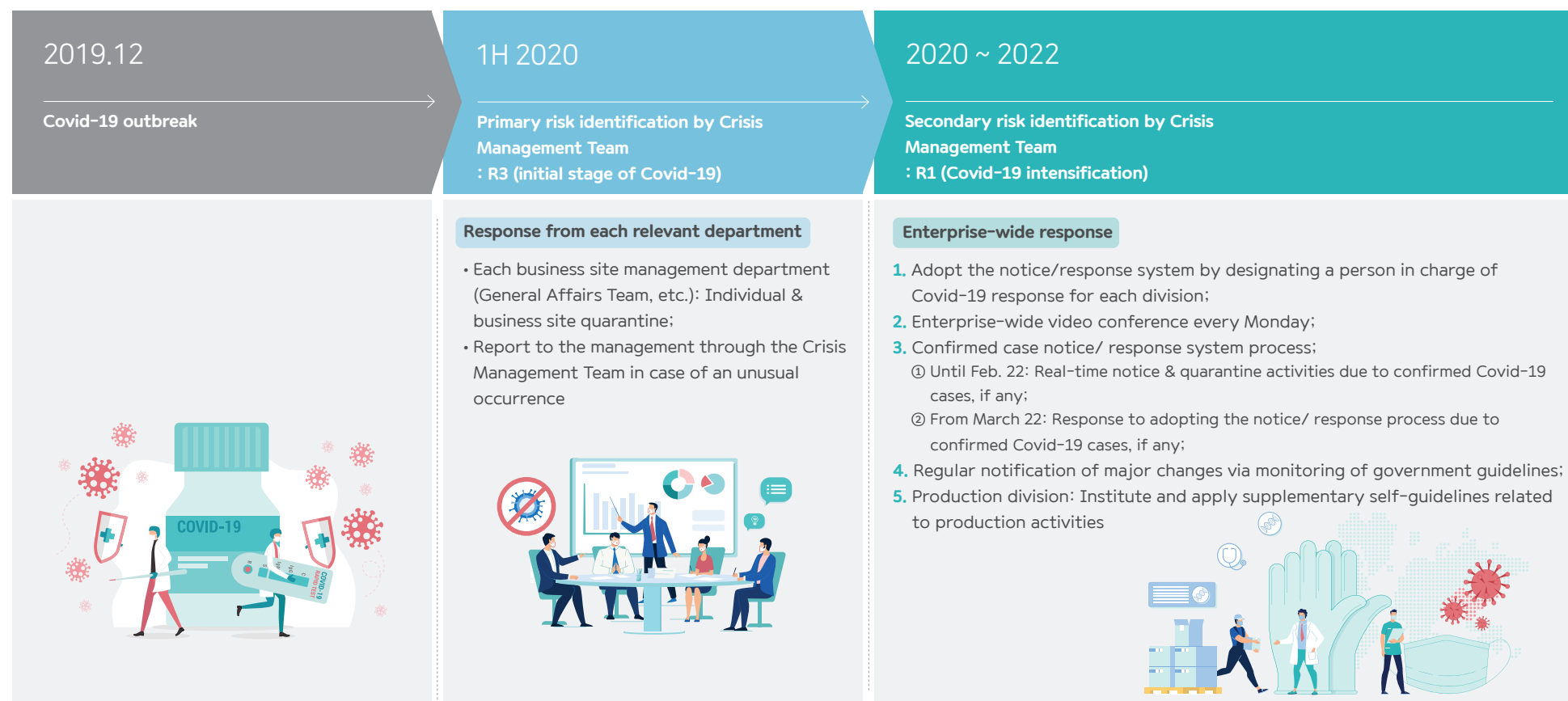


## Risk response case

### 2019 ~ 2022 Covid-19 crisis management response (R1 risk)

With the Covid-19 outbreak having a global impact, we immediately proceeded with response procedures.

The Crisis Management Team determined the degree of risk in each business division, established a management plan, and disseminated it to each division to develop response activities. According to the issue, key decision-making matters were reported to the board of directors and management for response measures to be set.



# REALIZATION OF A TRANSPARENT AND ETHICAL ORGANIZATIONAL 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 also create wealth and value through professional and efficient management activities, and assume a key role in distributing these principles fairly to all stakeholders in the pursuit of coexistence and development with all of them. Binggrae will strive to renew itself as a world-class company that further secures the trust of stakeholders by reviewing and developing its ethical management system every year, and verifying activities through reliable procedures.

### Direction and principles of ethical management

#### Goals

A highly trusted and respected world-class enterprise

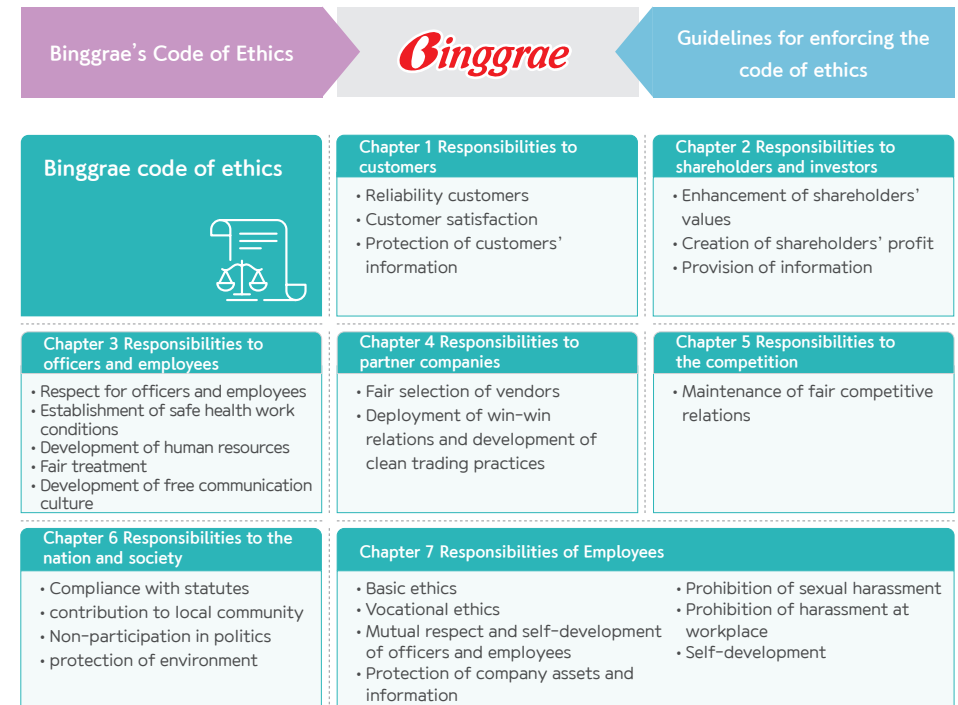
#### Values

Pursuit of an ethical business culture based on the principles of free competition and moral norms

#### Policies



## Code of Ethics



## 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 an organization dedicated exclusively to ethical management.



## System for reporting breaches or violations

Binggrae receives reports and grievances on unfair requests, business dealings, and other irregularities of executives and employees through the Integrity/Human Rights Report on the website. The informer/ whistleblower and the contents of the report are kept confidential, and reports received through the reporting system are thoroughly investigated pursuant to the Code of Ethics Practice Guidelines Chapter 9 Violation Management and related regulations. Disadvantageous treatment of reporters in personnel affairs is strictly prohibited, and anyone who engages in retaliatory action against informers/ whistleblowers of internal corruption will be severely punished within the scope of internal regulations.



**Reporting channels** Binggrae website(www.bing.co.kr) → Customer center → Integrity/Human Rights Report

### Article 30 (Reporting of violations)

- ① Executives and employees shall not engage in conduct violation of these guidelines. When such conduct is recognized or received from a third party, it must be reported to Cyber Reporting or the Compliance Management Team.
- ② The company shall thoroughly maintain confidentiality concerning whistleblowers of internal corruption, and strictly prohibits disadvantageous treatment in human resources.
- ③ The company has the authority to additionally punish anyone who engages in retaliatory action against an informer/ whistleblower of internal corruption on the basis of fact within the scope of internal regulations.

### 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

### Article 32 (Education of executives and employees)

- ① Education on ethics should be conducted for all employees, including new hires, and a firm commitment to ethical management should be presented by participating in the Ethics Charter Pledge.
- ② These guidelines and anti-corruption education must be included regularly, and conducted for all employees at least once a year.
- ③ As an education method, education can be conducted using various forms of education programs such as mobile, online, video conference, video lecture, and collective in-house education.

## Ethical Management Promotion Activities

### Obtained international standard certification for the compliance management system (ISO37301) (May 2022)

Through maintaining the compliance management system (ISO37301) certification established by the International Organization for Standardization (ISO) in April 2021, Binggrae prevents and manages potential risk factors in advance by complying with all laws and business ethics related to corporate operations.

### 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.

### Mandating the Ethics Charter Pledge & 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 practice guidelines at least once a year for all of our officers and employees, including new recruits. In 2022, compulsory education related to ethical management and anti-corruption was conducted twice, and self-education for the Compliance Management Team was conducted 16 times. All employees were required to undergo self-education through a cyber learning program in the form of posted textual and video clips, and separate in-depth training was conducted for executives and employees in the Sales Division at high risk for unfair competition practices.

## Ethical Management Monitoring & Inspection

We periodically conduct an internal self-diagnosis of all our officers and employees concerning ethical management and compliance. 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 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 on legal issues
- Complementary actions for improving questionnaires to prevent careless answers

### Results of internal compliance diagnosis in Nov. 2022



#### 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 118 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, given that some laws, such as the Personal Information Protection Act and the Improper Solicitation and Graft Act, showed an increase in risk compared to last year, this is expected to be the result of changes in target groups, etc., and will be reflected in future compliance training implementation plans.

#### d. Future actions and plans

- Improvement of vulnerable areas based on the survey results (reflecting on education contents, intensive inspection during monitoring)
- Bolster compliance awareness by utilizing compliance activities and compliance training;
- Reflect relevant law revisions and re-execute diagnosis with supplementary measures, such as improvement of questionnaires including constitutional cases, and guarantee of anonymity

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

#### Key contents of operations in 2022 first half

- A. Antitrust law education
- B. Operated franchise/agent transaction consultative body in the first half
- C. Implemented compliance self-diagnosis in the first half and reported the results
- D. Monitoring of newly enacted/amended statutes related to fair-trade
- E. Homepage overhaul and update

#### Key contents of operation in 2022 latter half

- A. Fair trade law education
- B. Operated franchise/ agent transaction consultative body in the second half
- C. Implemented regular monitoring in the second half and reported the results (including compliance self-diagnosis)
- D. Monitored the enactment & revision of fair trade regulations

#### Main contents of the first half of 2023

- A. Implemented education on fair trade regulation (Fair Trade Act, etc.)
- B. Reviewed amendments to fair trade regulations Implemented regular monitoring (including onsite & compliance self-diagnosis)
- C. Revised self-initiated compliance handbook



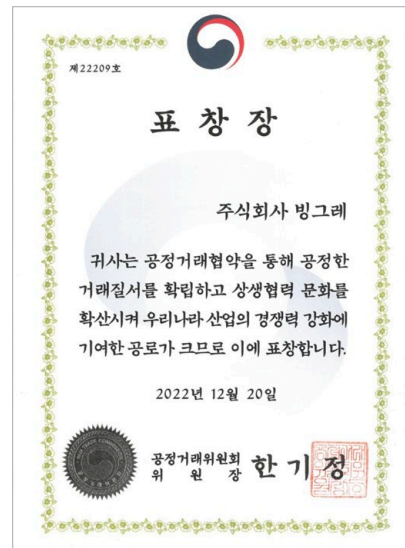
## System of autonomous compliance with the fair-trade law

### Checklist for autonomous inspection of fair-trade compliance

We carry out our autonomous fair-trade inspections using divisional checklists. These inspections ensure 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 the above efforts, in 2022, we earned the highest commendation from the Fair Trade Commission for two consecutive years in the fair trade agreement implementation evaluation.

※ 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;
- 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 are assigned by each department and provide working-level support for 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.

### Status of internal anti-corruption education

Classification	Unit	2020	2021	2022
No. of employees attending anti-corruption courses	persons	745	759	790
No. of employees completing anti-corruption education courses	persons	745	759	790
Ratio of those who completed the anticorruption education courses	%	100	100	100

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

Current status of unfair trade practices training for Sales Division employees (2022)

- No. of participants in training : 167
- Training content: Training related to unfair collusion



### Political donations

Classification	Unit	2020	2021	2022
Political donations	KRW (won)	0	0	0

\* Binggrae does not make any political donations based on Section 2 “Non-participation in Politics” of Chapter 6 of the Code of Ethics.

### Status of Non-Compliance with Civil (Social) & Economic Laws

Classification	Unit	2020	2021	2022
Number of violations	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. 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 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.



### 2023 plans for promoting ethical and compliance management

Classification		Key contents	Remarks
Pledge of Compliance		<ul style="list-style-type: none"> <li>Sworn statement of compliance (the signatures of all employees are received over the computer system each year).</li> <li>Employees sign sworn statements to comply with the company's ethics policies.</li> </ul>	Enforced in 2023 1st quarter
Compliance education		<ul style="list-style-type: none"> <li>Video education was conducted four times, and written education twice.               <ul style="list-style-type: none"> <li>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.</li> </ul> </li> <li>Learning and growth education provided 8 times (uploaded on Smile-M and company bulletin boards).               <ul style="list-style-type: none"> <li>Plans to conduct education on the Win-Win Cooperation Act, information exchange, and ethical management (anti-corruption, human rights) 8 times per year.</li> </ul> </li> </ul>	2023 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"> <li>Departmental autonomous inspection: Each department uses a compliance self-checklist, including monitoring of ISO 37301.</li> <li>Field inspection: Personal inspection of all sites, including the home office, branches and sales offices, factories, warehouses, etc. (interviews, etc.).</li> <li>A special inspection is conducted when other extraordinary issues arise.</li> </ul>	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"> <li>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"> <li>Targets: Commodity supply contracts, deposit contracts, service contracts for the deployment of IT systems and agency agreements.</li> </ul> </li> </ul>	2 to 3 cases provided per quarter.
Operation of the autonomous fair-trade compliance program		<ul style="list-style-type: none"> <li>Enhancement of external creditworthiness by operating autonomous compliance programs as a means of improving compliance processes.</li> <li>Assessment items enhanced in preparation for the operation of a consultative body.</li> </ul>	
Ethical management		<ul style="list-style-type: none"> <li>Support for sustainable management on the basis of ethical management (internal inspection of BC ethical management).</li> <li>Stabilization of ethical management and provision of education (in connection with the ESG assessment and the upgrading of internal accounting).</li> </ul>	
Code of conduct for the management of third parties and partner companies		<ul style="list-style-type: none"> <li>Presentation of a "code of conduct for fair trade compliance and prevention of corruption" for partner companies.</li> <li>Diffusion of ethical and ESG management.</li> </ul>	

# APPENDIX

95 FINANCIAL PERFORMANCES / 97 STATUS OF PRODUCT AWARD ACHIEVEMENTS AND ASSOCIATION PARTNERSHIPS

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# FINANCIAL PERFORMANCE

## Consolidated statement of comprehensive income

57th term from 2022.01.01 to 2022.12.31

56th term from 2021.01.01 to 2021.12.31

55th term from 2020.01.01 to 2020.12.31

(Unit : KRW)

	57th Term	56th Term	55th Term
Sales	1,267,685,822,673	1,147,435,118,625	959,129,489,604
Sales cost	931,974,590,214	845,554,628,861	698,382,200,212
Gross profit	335,711,232,459	301,880,489,764	260,747,289,392
Sales and administrative expenses	296,303,577,191	275,636,570,409	220,899,873,104
Operating income	39,407,655,268	26,243,919,355	39,847,416,288
Financial earnings	5,565,948,896	4,200,626,169	5,489,021,292
Financial expenses	3,872,886,993	821,362,064	1,449,739,931
Other non-operating income	1,041,274,916	1,526,757,774	9,108,311,104
Other non-operating expenses	5,417,963,431	42,949,425,090	5,481,932,723
Net profit (loss) before corporate tax expenses	36,724,028,656	-11,799,483,856	47,513,076,030
Corporate tax expenses	11,038,511,448	7,527,631,338	12,636,823,586
Net profit (loss) from continuing business	25,685,517,208	-19,327,115,194	34,876,252,444
Net profit (loss) of current term	25,685,517,208	-19,327,115,194	34,876,252,444
Other inclusive profit (loss) after deduction of corporate tax	4,586,197,898	1,818,633,525	-3,664,072,345
Items not subsequently reclassified into net profit (loss)	4,038,452,382	277,851,005	-3,165,691,427
Other inclusive income or loss - Gains or loss from evaluation of	-1,655,897,192	7,483,252	-1,766,210,236
financial assets subject to fair value measurement	5,694,349,574	270,367,753	-1,399,481,191
Re-measurement factors of fixed benefit system	547,745,516	1,540,782,520	-498,380,918
Items subsequently reclassified into net profit or loss	547,745,516	1,540,782,520	-498,380,918
Translation gains or loss of overseas business	30,271,715,106	-17,508,481,669	31,212,180,099
Total comprehensive profit or loss			
Attribution of net profit (loss)	25,685,517,208	-19,327,115,194	34,876,252,444
Equity investment in controlled companies	0	0	0
Equity attributable to non-controlling interests			
Total inclusive profit or loss	30,271,715,106	-17,508,481,669	31,212,180,099
Equity shares of controlling business	0	0	0
Equity attributable to non-controlling interests			
Earnings per share (unit: won)	2,905	-2,186	3,944
Basic earnings per share (unit: won)	2,905	-2,186	3,944

## Consolidated Balance Sheet

As of the 57th term December 31, 2022

As of the 56th term December 31, 2021

As of the 55th term December 31, 2020

(Unit : KRW)

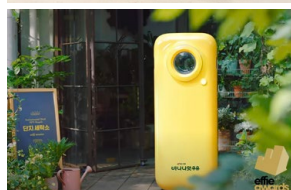
	57th Term	56th Term	55th Term
<b>Assets</b>			
Current assets	315,267,835,364	313,908,033,967	325,347,696,175
Cash and cash equivalents	79,222,106,523	95,850,338,594	82,183,109,180
Short-term financial assets	13,444,552,000	70,495,000,000	105,720,325,261
Trade receivables	81,103,835,179	59,168,036,948	66,958,297,091
Account receivable	1,925,306,538	1,667,586,376	823,139,104
Accrued income	285,350,880	475,352,087	560,559,103
Advance payment	165,888,698	752,726,299	98,533,612
Prepaid expenses	9,033,184,511	10,021,953,625	12,048,742,363
Inventory assets	127,474,596,766	74,374,614,961	55,305,923,436
Corporate tax asset	248,380,279	14,892,400	0
Other current assets	2,364,633,990	1,087,532,677	1,649,067,025
Non-current assets	453,998,752,235	446,337,246,604	438,790,748,906
Long-term financial assets	31,564,180,584	31,553,388,925	30,797,476,236
Tangible assets	298,725,571,525	295,488,504,543	280,232,025,441
Intangible assets	57,227,486,327	64,670,437,641	73,360,720,750
Right-of-use (license) assets	27,217,326,816	12,795,850,120	12,836,801,786
Investment real properties	2,213,249,253	14,058,405,471	10,950,951,835
Rental deposit:	27,928,443,645	18,857,126,910	20,132,424,383
Long-term advance payment	1,544,764,214	1,684,396,125	2,011,166,933
Long-term prepaid expenses	227,449,728	356,355,584	254,895,812
Deferred corporate tax assets	7,350,280,143	6,872,781,285	8,214,285,730
Total assets	769,266,587,599	760,245,280,571	764,138,445,081

	57th Term	56th Term	55th Term
<b>Liabilities</b>			
Current liabilities	152,445,670,179	160,011,490,125	126,324,654,521
Trade payable	75,898,079,862	55,873,203,364	57,209,257,928
Accounts payable	40,279,852,882	70,680,241,247	31,941,659,631
Accrued expenses	13,985,861,690	13,739,834,547	17,200,352,271
Short-term corporate tax liabilities	7,959,583,288	3,136,012,335	8,265,114,475
Dividend payable	2,646,800	2,580,660	2,450,480
Current lease liabilities	8,527,429,636	7,071,861,241	6,525,434,112
Other current liabilities	5,792,216,021	9,507,756,731	5,180,385,624
Non-current liabilities	41,051,942,749	42,358,009,481	48,282,646,326
Retirement pay liability	3,933,286,851	15,565,579,286	18,471,734,611
Long-term import guarantee money	5,899,790,657	6,082,702,351	5,912,065,508
Long-term expenses payable	6,821,976,953	8,325,166,759	8,607,160,877
Non-current lease liabilities	18,722,022,219	5,293,743,175	6,108,875,612
Deferred corporate tax liabilities	5,674,866,069	7,090,817,910	9,182,809,718
Total liabilities	193,497,612,928	202,369,499,606	174,607,300,847
<b>Capital</b>			
Equity investment in controlled companies	575,768,974,671	557,875,780,965	589,531,144,234
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
Capital surplus	-22,482,303,960	-22,482,303,960	-22,482,303,960
Other capital items	-3,714,204,226	-2,606,052,550	-4,154,318,322
Cumulative total of other comprehensive income/loss	463,800,575,965	485,500,575,965	459,080,575,965
comprehensive income/loss	23,639,793,695	-17,061,551,687	42,562,077,354
Reserves	0	0	0
Profit surplus (loss)	575,768,974,671	557,875,780,965	589,531,144,234
Equity attributable to non-	769,266,587,599	760,245,280,571	764,138,445,081



## STATUS OF PRODUCT AWARD ACHIEVEMENTS AND ASSOCIATION PARTNERSHIPS

### 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	2020. 03
Banana-flavored milk (Hello Danji-pot)	No. 1 KBPI brand power award in the processed milk sector for 13 consecutive years	Advertising Associations	2020. 11
Banana-flavored milk	Bronze prize, Social communication sector, Korea Ad Grand Prize	KMA Consulting	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	Advertising Associations	2021. 01
Banana-flavored milk	Grand prize, Food & beverage sector, A.N.D. Award Digital Ad & Campaign	Korea Federation of Advertising Associations	2021. 01
Banana-flavored milk	Korea Broadcast Ad Promotion Corporation President's Prize, Digital Campaign	Advertising Associations	2021. 03
Banana-flavored milk	Sector, A.N.D. Award	Korea Federation of Advertising Associations	2021. 07
Banana-flavored milk	No. 1 KBPI brand power award in the processed milk sector for 14 consecutive years	Advertising Associations	2021. 07
Banana-flavored milk	Gold Effie Award, GoodWorks-Brands Sector, Effie Awards Korea	Korea Association of Digital Enterprises	2021. 07
Banana-flavored milk	Silver Effie Award, Brand Experience Sector, Effie Awards Korea	Enterprises	2021. 07
Banana-flavored milk (Hello Danji-pot)	Bronze Effie Award, Food Sector, Effie Awards Korea	Korea Association of Digital Enterprises	2021. 11
Banana-flavored milk (Hello Danji-pot)	Finalist Effie Award, Branded Contents Sector, Effie Awards Korea	Enterprises	2021. 12
Banana-flavored milk	Best Brand Creator Sector, YouTube Works Awards	KMA Consulting	2022.04

### 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	2020.03
Yoplait	No. 1 prize, Thick Yogurt Sector, Brand Power of Korean Industries	KMA Consulting	2020.04
Yoplait	No. 1 prize, Thick Yogurt Sector, Purchase safety index of Korean Industries	Korea Marketing Association	2021.02
Yoplait Topping	Silver prize, Audio sector	Korea Ad Grand Prize	2021.03
Yoplait	No. 1 prize, Thick Yogurt Sector, Brand Power of Korean Industries	KMA Consulting	2021.04
Yoplait	No. 1 prize, Thick Yogurt Sector, Purchase safety index of Korean Industries	Korea Marketing Association	2022.04



## Frozen Product Sector

Awarded product	Name of award	Awarded by	Date awarded
Clédor	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
The:Danbaek (Milk Protein Concentrate)	2021 Beverage Sector, Max Summit Awards	MoviDays	2021.11

## Packaging Sector

Awarded product	Name of award	Awarded by	Date awarded
TFT Viva City Stick Jelly Supplements	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
Instantly drinkable cap	Won the Korea Star Awards/ Korea Packaging Association President's Award	Korea Institute of Industrial Technology/ Packaging Technology Center	2022
a café la Simply	Won the Brand & Communication Award at Red Dot Awards	Design Center Northeim-Westphalia, Germany	2022

## Particulars of external awards for products



## Design sector

Awarded product	Name of award	Awarded by	Date awarded
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
Clédor Cartoning Bar	Pack Star Prize	Korea Packaging Design Association	2021
T'aom	Pack Star Prize	Korea Packaging Design Association	2021
Clédor Clean Label	Pack Star Prize	Korea Packaging Design Association	2021
Yoplait Topping Renewal	Pack Star Prize	Korea Packaging Design Association	2021
Clédor	Won the Brand & Communication Award at Red Dot Awards	Design Center Northeim-Westphalia, Germany	2022
T'aom	Won the Brand & Communication Award at Red Dot Awards	Design Center Northeim-Westphalia, Germany	2022

## 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	Implementation Activities	UN SDGs Goals
E Environment	Eco-Friendly	Adoption of environmental management system	6, 7, 13, 15
		Efforts to respond to climate change	7, 13
		Sustainable resource use	6, 12, 13
S Society	Shared Value	Workplace safety & health management	3
		Adherence to fair trade practices	16
		Human rights impact assessment & management	5, 10
		Safeguarding customers' health & safety	8
		Expanding customer satisfaction efforts	8, 12, 16
G Governance	Global Integrity	Enhancing Governance transparency & professionalism	16, 17
		Reinforcing ethics/ anti-corruption management activities	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

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# THIRD-PARTY ASSURANCE STATEMENT

To the esteemed stakeholders of Binggrae Co., Ltd.

## Preface

The Korea Management Registrar (KMR) (hereinafter 'assurance provider') was requested to verify the 2023 Binggrae sustainable management report ("the report" hereinafter) as a third party. The assurance statement issued by the assurance provider is applied only to the information included in the scope of the assurance process. The assurance provider is hereby only responsible for the assurance opinion. Binggrae Co., Ltd., the company that published the report, is solely responsible for all information and assertions contained in the report.

## Scope and guidelines of verification

The assurance process was conducted pursuant to AA1000AS v3, an international validation standard published by Accountability. Type 1, which primarily evaluates compliance with the four principles of inclusivity, materiality, responsiveness, and impact, and the information collection process, and 'Moderate Level', which is conducted based on evidence collected within the scope has been applied. Moreover, GRI Standards, an international standard for report writing, and ISO 26000, a social responsibility standard, were referenced for validation, with the validation scope stipulated as follows.

- Adequacy of processes & management systems for information collection & analysis;
- Whether the four principles of the validation standard, such as inclusivity, materiality, responsiveness, & impact, are observed;
- Reliability of data & information

## Verification methods

As an independent assurance agency, the assurance provider has complied with the validation standard procedures and guidelines, and carried out the validation as follows.

- Review of various evidence & documents
- Review of data & information collection, accumulation, analysis & review system
- Making visits to the corporate offices and interviewing the personnel in charge concerned

## Assurance conclusion

The assurance opinions derived through the validation methods and activities described above are as follows.

- Binggrae has installed an adequate system for collecting, accumulating, analyzing, and reviewing data and information. We certify that the information and data contained in the report are reliable and free from material errors or biases.
- The report adequately reflects the application of the principle of inclusivity. Inclusivity infers that the organization identifies its key stakeholders, and enables them to participate in the selection of material issues for the organization's sustainability and the development of strategic countermeasures. To ensure that the report adequately reflects the application of the inclusivity principle, the assurance team examined the stakeholder identification and engagement process and program. Binggrae has identified key stakeholders, such as customers, employees, shareholders, local communities, and suppliers, while also operating a formal stakeholder engagement program.

- The report adequately reflects the application of the materiality principle. Materiality refers to finding and prioritizing sustainability issues of the highest importance among sustainability-related issues, given the impact on the organization and stakeholders. To ensure that the report adequately reflects the application of the materiality principle, the assurance team reviewed the materiality issue determination process, and examined its suitability. Binggrae has derived material issues through a double materiality assessment with a view to reflecting both the impact on the company's financial performance and the impact on the environment and society.
- The report adequately reflects the application of the principle of responsiveness. Responsiveness infers that each organization takes appropriate and timely responses to material issues and related impacts. To confirm that the report adequately reflects the application of the responsiveness principle, the assurance team examined whether the company's response to material issues was well described in the report. Binggrae has reflected material issues in the organization's strategy and activities, and adequately responded to the needs of stakeholders.
- The report adequately reflects the application of the impact principle. Impact constitutes the effect of each organization's activities and performance on other groups, itself, as well as the economy, environment, or society. To ensure that the report adequately reflects the application of the impact principle, the assurance team examined whether procedures were executed to identify and evaluate impacts related to material issues, and whether the results were disclosed in the report. Binggrae has identified and evaluated the impacts, and disclosed them determined by each material issue in the report.

## Recommendations

The following recommendations are presented to the extent that they do not affect the validation results of the assurance provider. It is recommended to expand and operate the task force tasked with report writing to advance employee involvement throughout the information and data creation and reporting process.

## Competence and independence

The assurance team independently performed validation. The assurance provider does not hold a business relationship posing a conflict of interest with Binggrae in any way. The assurance team is composed of members who have accumulated long-term experience in sustainability, CSR, and ESG management, with an excellent understanding of the assurance standard methodology.

June 2023

ESG Assurance Chairman **Hyun Lee**   
Korea Value Convergence Association



# INDEPENDENT VERIFICATION STATEMENT

## Binggrae Co., Ltd.

The Korea Management Registrar conducted a validation of Binggrae's 2022 greenhouse gas emissions (SCOPE 1, 2).

## SCOPE

The assurance process for all business sites and emission facilities under the operational control of Binggrae Co., Ltd.

## STANDARDS

- ISO 14064-1:2006, ISO 14064-3:2006
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Operational guidelines for emissions reporting and certification of the GHG emissions trading scheme

## Assurance Constraint

The assurance process entails inherent limitations that may occur in the process of applying standards and methods.

## CONCLUSION

- Validation of greenhouse gas emissions was conducted to meet reasonable assurance levels pursuant to assurance standards.
- It is stated that no significant errors were found in the calculation of emissions during the assurance process, and that the relevant activity data and evidence have been adequately managed and calculated. We present our conclusive "fair" opinion.
- Materiality: Meeting the criteria of less than 5%

(Unit : tCO<sub>2</sub>-eq/yr)

GHGs Emission	Scope1	Scope2	Total (tCO <sub>2</sub> -eq)
2022	17,232.123	42,294.115	59,514

Energy Consumption	Fuel	Electricity	Steam	Total (TJ)
2022	320.31	883.792	-	1,198

\* Scopes 1 & 2 emissions are figures submitted to the Ministry of Environment.

2023. 06.26



**Prosperous South Korea**  
Adolescent, Woo Ji-han  
The 35th Children's Drawing Festival  
Gold Award