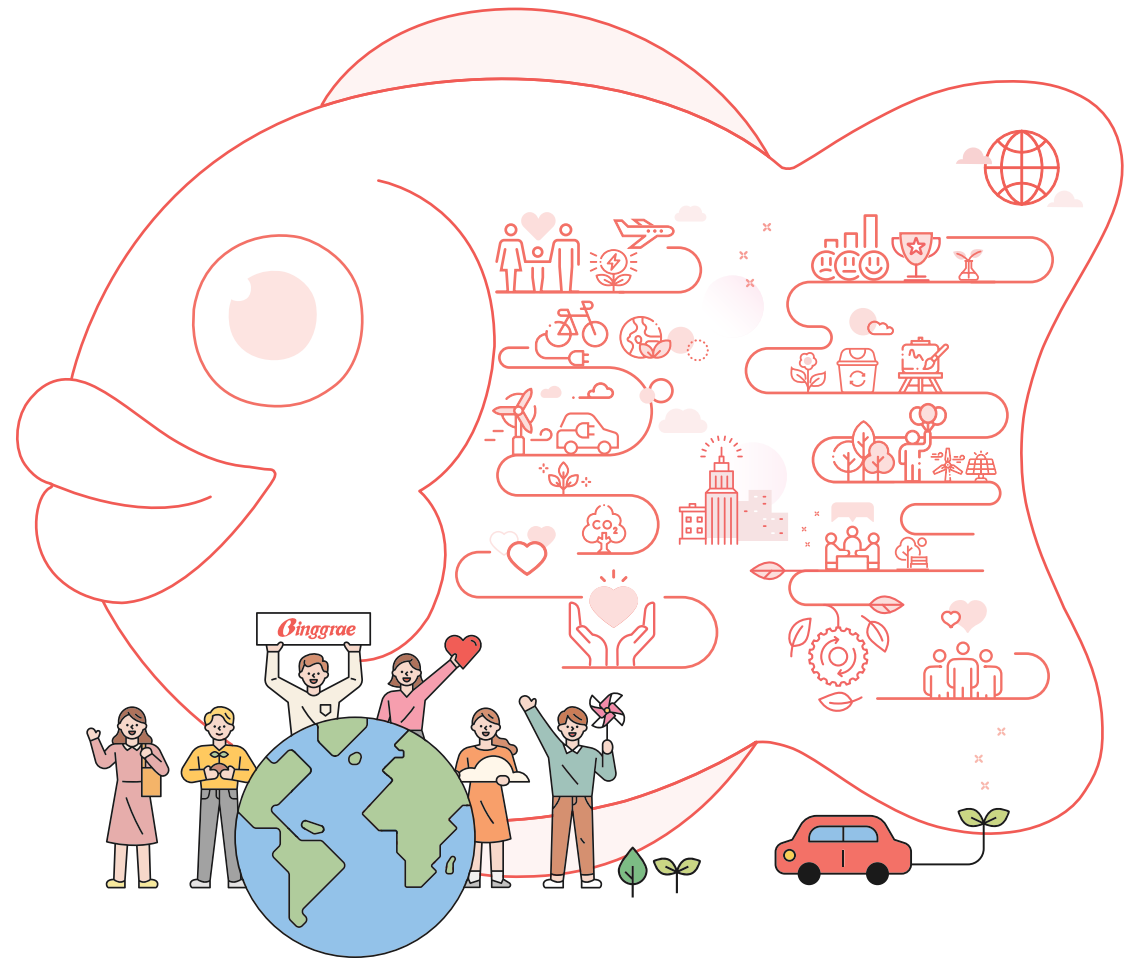




# BINGGRAE SUSTAINABILITY REPORT

2024 BINGGRAE Sustainability Report



# ABOUT THIS REPORT

## Overview

Binggrae has disclosed the integrated performances and goals of its economic, social and environmental values, and communicates with stakeholders annually through its sustainability report. This report includes not only the corporate ESG strategies but also activities in connection with the UN Sustainable Development Goals (SDGs) based on the commitment and efforts of Binggrae to grow together with society as a sustainable company.

## Reporting Period

This report deals with our financial and non-financial performances and achievements with qualitative and quantitative information from January 1, 2023 to December 31, 2023, including certain important current issues up to the end of April 2023 to deepen stakeholder's overall understanding. Our quantitative performances include three years of figures related to our environmental, social and governance activities.

## Reporting Scope

In the reporting scope, the economic performance includes all domestic and overseas business sites of Binggrae. For social and environmental aspects, the report primarily focuses on domestic business sites, considering the scale, nature, and impact of these sites. However, the performances of main partners are partially included in this report.

## Reporting Standards

For its preparation, this report referred to the international sustainability management report standard of GRI (Global Reporting Initiative) Standards 2021, and the reporting standards and definitions of financial information comply with K-IFRS (Korean International Financial Reporting Standards).

## Report Assurance

To ensure data reliability, this report has been validated by an independent assurance agency, 'ESG Innovation Network' who conducted the verification. The third-party verification statement can be viewed on pages 105~106.

## Inquiries on this Report

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

## General Affairs Team in Charge of Binggrae Management Planning

Address : Concordian Bldg., 76 Saemun-ro, Jongno-gu,  
Seoul, Republic of Korea  
E-mail : [hope7077@bing.co.kr](mailto:hope7077@bing.co.kr)  
Tel. No. : +82-2-2022-6265



## Cover Story

With 'Samanco', a main product of ours, we have embodied Binggrae's commitment to grow together with various stakeholders under the corporate vision of 'A Messenger of bright smile sharing health and happiness together'.

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## CEO MESSAGE

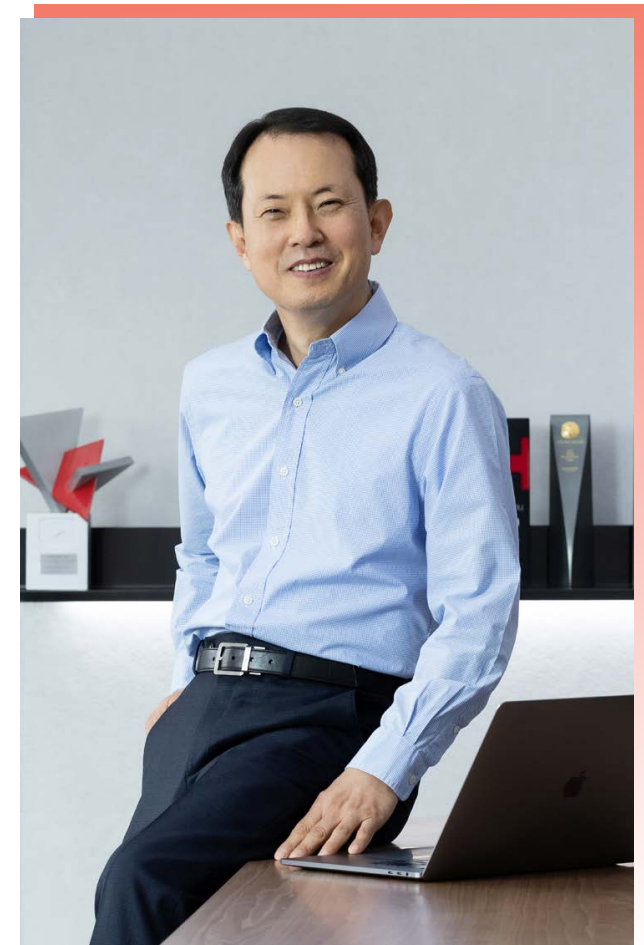
“Despite the many challenges we continue to face in economic, environmental, social, and cultural aspects of management, Binggrae will reliably maintain our efforts to build a virtuous cycle structure, ensuring that corporate growth has a positive impact on society.”

**Dear esteemed stakeholders! This is the CEO of Binggrae, Jeon Chang-won.**

The company faces challenges in pursuing sustainable management due to global economic stagnation, geopolitical conflicts, and climate change that have kept intensifying worldwide. Aware of the seriousness of these challenges, Binggrae has strengthened its sustainability management system since 2018 to develop its mid-to long-term strategy and has published an annual sustainability report starting from 2022.

Last year, despite the increasingly challenging business environment, Binggrae achieved remarkable results by fostering business growth and expansion through the relentless change and innovation of our employees. In 2024, as economic, environmental, social, and cultural difficulties continue to challenge the management environment, Binggrae will diligently commit to building a virtuous cycle structure, ensuring that its corporate growth positively impacts society.

To this end, Binggrae has established its ESG management vision: “Sustainable management that all employees practice naturally and routinely,” which will be implemented as follows.



CEO Jeon Chang-won



Binggrae will establish its sustainable management system by strengthening ESG management and will sustain its efforts to lead the rising K-food trend.

**Firstly, Binggrae focuses on eco-friendly management for the future of all.**

The company introduced the Environmental Management System (ISO 14001) to minimize potential environmental impacts from its overall activities. A mid- to long-term goal and strategy for environmental management performance will be established to set up the foundation for a “Net Zero Business” by 2050.

**Secondly, Binggrae is dedicated to being a leading company in shared value.**

True to its name, Binggrae has consistently worked to create a society filled with bright smiles by delivering health and happiness to people. We will continue to provide top-quality products and services to our customers and expand communication channels to ensure customer satisfaction and protect their rights and interests. A cooperative system with corporate partners and farms will be maintained, providing various support methods for seamless communication and shared growth. Furthermore, as a company fulfilling its social responsibilities, we will continue activities to support various social classes and the underprivileged. Through support programs for the descendants of independence activists and national veterans, we aim to contribute to spreading a culture of honor.

**Thirdly, Binggrae establishes transparent and stable governance through ethical compliance management.**

Binggrae has organized an independent Board of Directors by appointing professional and competent directors to secure the foundation for transparent governance. Additionally, we have acquired an international standard certification for our Compliance Management System (ISO 37301) and implemented an ethical management system through periodic monitoring of all employees. These key efforts reflect our commitment to becoming a global company that earns the trust and respect of stakeholders.

As the largest ice cream exporter in Korea, Binggrae contributes to the global K-food boom. We will establish a sustainable management system by strengthening ESG management and sustaining our efforts to lead the rising K-food trend. We appreciate the continued interest and support from all stakeholders in Binggrae’s efforts. Thank you.

*Binggrae*

# 2023 HIGHLIGHTS

## Grade “A” in KCGS ESG Evaluation for 5 Consecutive Years Grade “AA” in Sustainvest ESG Evaluation for 4 Consecutive Years



Binggrae received an integrated grade of “A” in the 2023 ESG Evaluation announced by KCGS (Korea Institute of Corporate Governance & Sustainability) and a grade of “AA” in the Comprehensive ESG Evaluation by Sustainvest. These ratings place Binggrae in the top 24.1% and 11.2%, respectively, among the listed companies subject to evaluation.

Notably, Binggrae has consistently received outstanding evaluations, earning a grade of “A” for 5 consecutive years since 2019 from KCGS and a grade of “AA” for 4 consecutive years from Sustainvest. Binggrae will continue its efforts consistently and diligently to be trusted and valued by stakeholders.



## External Awards in Eco-friendly Management



In September 2023, Binggrae received a commendation from the Minister of Environment in the “2023 Contest for Excellent Business in Reducing Disposable Products & Packaging Materials and Promoting Recycling” for its contributions to environmental preservation. In November 2023, Binggrae also received an “Appreciation Plaque as an Excellent Company Practicing Net Zero,” in the “2023 National Competition on Practicing Net Zero,” hosted by the Ministry of Environment and organized by the Korea Climate & Environment Network.

These achievements reflect external recognition of Binggrae’s circular economy activities, particularly its efforts to improve the recycling grade of its products, as well as to reduce CO<sub>2</sub> emissions and implement various initiatives for carbon neutrality.



## Introduction of Renewable Energy



Binggrae is actively promoting the introduction of renewable energy for environmental protection and climate change response. In September 2023, a 199.8 kW photovoltaic power facility was installed at the Nonsan Factory. This facility produces 277,123 kWh of power annually, with an estimated annual reduction of approximately 48.93 tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>eq). Binggrae will continue its efforts to reduce fossil fuel consumption and utilize green energy to reduce GHG emissions.



## Support for Korean Red Cross since 2013



Since 2013, Binggrae has sponsored the Korean Red Cross by donating ice cream and dairy products or contributing a portion 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 contributed another KRW 300 million in 2021. These donations benefited families in crisis due to illness, unemployment, accidents, and other challenges. In 2022, Binggrae donated rice and supplies worth KRW 300 million to individuals vulnerable to disasters, including victims of forest fires in the Gyeongbuk and Gangwon regions.

Additionally, the ceremony for awarding the “Red Cross Honors Club” plaque was held along with the relief donation agreement ceremony.

The Red Cross Honors Club recognizes corporations that make significant donations to the Red Cross and contribute to the spread of social value to support the humanitarian activities of the organization.

Binggrae has continued to sponsor the Korean Red Cross since 2013, with cumulative donations exceeding KRW 1 billion. Binggrae will continue its social contributions to support those in need in society.

## Named “Best Performer” in the implementation of Fair Trade Agreement for 3 Consecutive Years



Binggrae has implemented a compliance management system (ISO 37301) and conducts autonomous inspections of fair trade practices. This autonomous inspection is the most effective method for verifying and preventing violations of fair trade in advance, ensuring the practical operation of the compliance guidelines.

As a result of these efforts, Binggrae was named “Best Performer” for the third consecutive year in the Fair Trade Commission’s assessment of fair trade agreement performance in 2023.



## Binggrae held the “World’s Latest Graduation Ceremony” Independence Movement Campaign



On July 15, 2023, Binggrae held the “World’s Latest Graduation Ceremony” for student independence activists at the Independence Hall of Korea in Cheonan.

The “World’s Latest Graduation Ceremony” is an honorary graduation campaign organized by Binggrae for student independence activists who had to give up their studies due to unfair disciplinary measures imposed on them for participating in the independence movement. 94 candidates were selected from the student independence activists whose school expulsion records and restorable photos were available in the e-Archives of the Ministry of Patriots and Veterans Affairs, with consent obtained from their descendants.

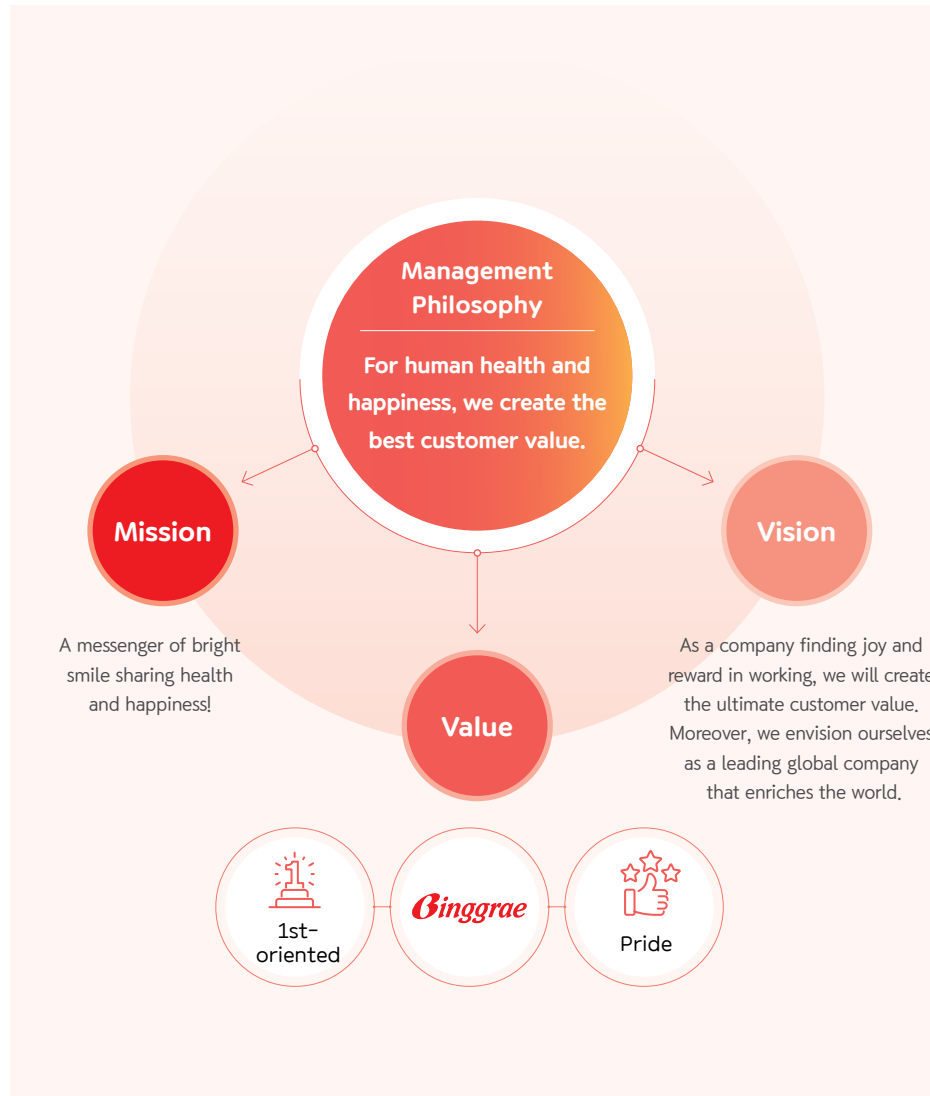
With the participation of about 150 descendants of independence activists and representatives from Binggrae and the Ministry of Patriots and Veterans Affairs, the ceremony was held in a solemn and touching atmosphere.

During the ceremony, certificates of honorary graduation and albums were presented to each participant. Notably, the graduation album was printed using photos restored with AI technology to reflect the time of graduation, based on the remaining images of the independence activists.

Binggrae planned this event to express deep gratitude to the independence activists who sacrificed not only their studies but also their whole lives for the cause of independence, as well as to instill a sense of pride in their descendants. Binggrae will continue to organize various activities to keep the spirit of the independence movement alive.



# CORPORATE OVERVIEW



## Ideology

### "Binggrae Ideology" Within Our Mission

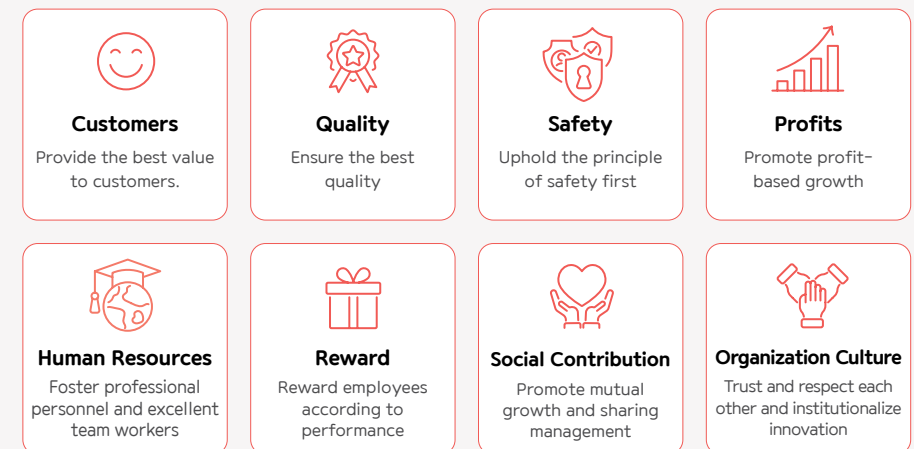
The mission declared in May 2002 was established based on our "smile of the people" spirit emphasized by Dosan Ahn Chang-ho.



### Origin of the Company's Name

The name Binggrae came from "the smile of Koreans," the corporate spirit emphasized by Dosan An Chang-ho. "Why is our society so cold? Let's create a world where people smile Binggrae with loving hearts! A smile 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.

## Principles



## Company Introduction

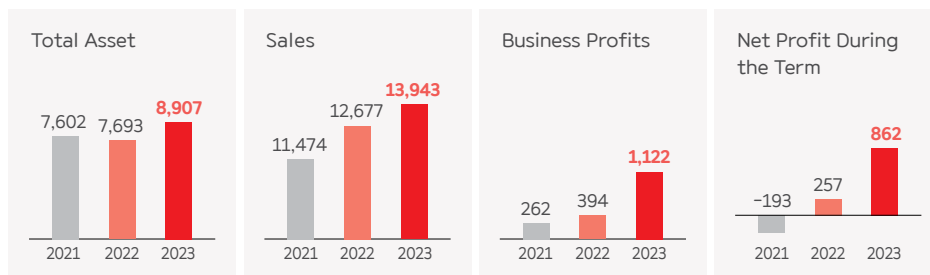
For the last 57 years, Binggrae has continued efforts for the development of the milk processing industry and innovative products for the better health of the people. Through this, Binggrae grew into a global company leading the food industry, contributing to the health and happiness of the people through continuous challenge and passion.

The business sector is composed of a single sector of milk processing, and the product lineup is divided by temperature into refrigerated product group and frozen product group as well as other product groups. Products include Korea's No. 1 processed milk, "Banana-Flavored Milk," Korea's first carton ice cream, "Together," the famous cup-type yogurt "Yoplait," and the premium refrigerated juice "T'aom," together with many hit items and brands such as Korea's first cone-type ice cream "Bravo Cone" through Binggrae's subsidiary Haitai Ice Cream.

<b>Corporate title</b>	Binggrae Co., Ltd.
<b>Foundation date</b>	September 13, 1967
<b>CEO</b>	Jeon Chang-won
<b>Location of head office</b>	45 Dasansunhwan-ro, Namyangju-si, Gyeonggi-do, Republic of Korea
<b>Major business</b>	Food manufacturing and sales business
<b>No. of employees</b>	1,787(As of December 31, 2023)
<b>Subsidiaries</b>	HAITAI Ice Cream Co., Ltd.; BC F&B Shanghai Co., Ltd.; BC F&B USA Corp.; BC F&B Vietnam Co., Ltd.

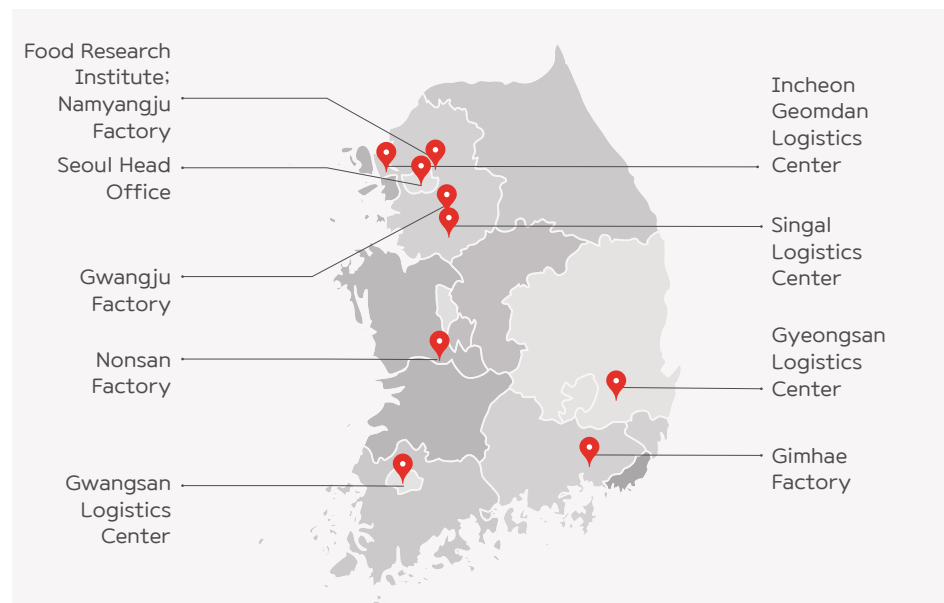
## Key Financial Information (Consolidated)

(Unit : KRW 100 million)



## Major Business Sites

We operate four factories located in Namyangju, Gimhae, Gwangju, and Nonsan and supply products to customers quickly via our 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	Jongno-gu, Seoul	Food Research Institute	Namyangju-si, Gyeonggi-do
Namyangju Factory	Namyangju-si, Gyeonggi-do	Incheon Geomdan Logistics Center	Seo-gu, Incheon
Gimhae Factory	Gimhae-si, Gyeongsangnam-do	Singal Logistics Center	Yongin-si, Gyeonggi-do
Gwangju Factory	Gwangju-si, Gyeonggi-do	Gyeongsan Logistics Center	Gyeongsan-si, Gyeongsangbuk-do
Nonsan Factory	Nonsan-si, Chungcheongnam-do	Gwangsan Logistics Center	Seo-gu, Gwangju



## Global Partnerships



### Binggrae, a global leader and messenger with a bright smile that shares health and happiness with the world!

Binggrae began exporting to the US (LA) and Russia in 1993, expanding sales to the global market including North & South America, East Asia, Southeast Asia, Oceania Region, etc. to strengthen its stature as Global Binggrae. In the US and Canada, our brand Melona has been launched at local supermarket chains such as Costco and Walmart, etc. to delight people's taste buds globally. The globalization of K-ice cream has focused not only on Hong Kong and

Singapore as Asia's regional hub markets but also on the Philippines, Vietnam, and Thailand. In 2023, "Melona" was developed according to the local regulations for the first time among domestic companies to start export to the European and Australian markets, and was launched in local large shopping markets to realize rapid growth. 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 continuously made to capture the interest and affinity of global consumers in China,

Taiwan, Philippines, Malaysia, Indonesia, etc. Based on its track record of success in export-led market entry, Binggrae supports its incorporated 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 to the global market, we are establishing a sustainable foundation for future growth. We will become a leading corporation in the global food industry of the future and deliver our bright smile to the entire world.

# MILESTONE



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

## 1967-1999

- Jan. 1981 Signed a technical partnership with SODIMA in France
- Feb. 1982 Changed corporate name from Daeil Dairies to Binggrae
- Mar. 1982 Built the Gimhae Plant in Gyeongsangnam-do
- May 1986 Built the Gwangju Plant in Gyeonggi-do
- Apr. 1987 Opened the Binggrae Food Research Institute
- Sept. 1988 Selected as the official supplier of ice cream for the 1988 Seoul Olympic Games
- Nov. 1995 Built the Nonsan Factory in Chungcheongnam-do
- Apr. 1997 Acquired ISO 9001 certification (from the Korea Productivity Center)
- May 1998 Acquired the HACCP certificate for milk beverages (from the Korea Food & Drug Administration)
- Nov. 1999 "Banana-Flavored Milk" selected as a product to "brighten Korea in the 20th century"

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

## 2000-2019

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

- Oct. 2020 Took over HAITAI Ice Cream Co., Ltd.
- Dec. 2020 Received a Presidential Citation at the Government Awards for promoting 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 in the best brand creator category at the YouTube Works Awards
- Dec. 2021 Acquired ISO 14001 certification (Environmental Management System) from KMR
- Apr. 2022 "Yoplait" and "Banana-Flavored Milk" ranked first for the 16th and 15th consecutive year, respectively, in terms of K-BPI Brand Power in the Korean Industry
- Apr. 2022 Yoplait ranked first in the "Cup-type Yogurt" category of the Korea Purchase Ease Index (KPEI) for the 6th consecutive year
- May 2022 Acquired the International Standard Certification for the compliance management system (KCCA)
- Oct. 2022 Ranked first in the ice cream category of KCSI (Korean Customer Satisfaction Index) for the 16th consecutive year
- Dec. 2022 Acquired Family-Friendly Certification

## 2020-2023

- Feb. 2023 Acquired ISO 45001 certification (Safety & Health Management System) from KMR
- Apr. 2023 "Yoplait" and "Banana-Flavored Milk" ranked first for the 17th and 16th consecutive year, respectively, in terms of K-BPI BrandPower in the Korean Industry
- Nov. 2023 Acquired a Grade "AA" in the ESG Evaluation for the 4th consecutive year (Sustainvest)
- Nov. 2023 Acquired a Grade "A" in the ESG Evaluation for the 5th consecutive year (KCGS)



## Ice Cream

Protein Product  
/ Health Functional Food

## OUR BUSINESS

Having built production plants in Namyangju, Gimhae, Gwangju, and Nonsan, we continue to dominate the market with Banana-Flavored Milk.

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

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



## Milk &amp; Cheese



## Coffee &amp; Juice



Sales Amount per Item

(Unit : KRW 1 million)

Category	Item	Main Trademark	Sales Amount (Ratio)
Refrigerated Item Group	Food & Milk Beverage, etc.	Banana-Flavored Milk, Yoplait, etc.	608,548 (43.6%)
Frozen & Other Item Group	Ice Cream & Others	Together, Bravo Cone, etc.	785,768 (56.4%)

## Fermented Milk



## Snack &amp; 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 was christened many nicknames including Chubby Banana and has been much loved by many customers. Separate recycling can be done appropriately by removing the lid to discard as regular waste and washing and drying the empty bottle and putting into the recycling bin.



### Binggrae Banana-Flavored Milk

- No. 1 for 16 consecutive years (2008~2024) in the processed milk sector in the Brand Power of Korean Industry (K-BPI)
- Acquisition of "EPD (Environmental Product Declaration)" Certification



### Proper Separate Recycling Method

- ① The lid must be removed and discarded as regular waste!
- ② The empty bottle must be washed and dried!
- ③ The dry empty bottle must be thrown into the recycling bin!



Release date | Decemre 1974

## Binggrae Milk, 100% 1A-grade fresh milk

- Fresh and savory taste
- Hygienically processed with UHT treatment
- Release date | March 2020



## Public's favorite Banana-Flavored Milk in Mini Size

- Organic ingredients and domestic raw milk are used for good taste and health.
- As the aseptic pack product using FSC-certified paper, customers can drink fresh milk even when it is stored at room temperature for a long period.

• Release date | December 2021



## Healthy cheese with rich taste

- High-protein & high-calcium string cheese with 30% protein content!
- 150% more dietary fiber than that in apples, high-protein & high-calcium probiotics string cheese!
- Mozzarella pizza cheese for convenient topping

• Release date | May 2019



# FERMENTED MILK

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

Since its launch as Korea's first cup-type yogurt in 1983, "Yoplait Original" has been pioneering and leading the market as a major fermented milk brand, having been with consumers for 40 years with its high quality & nutrition and flavors loved by everyone.

- Contains 50 billion probiotics.
- 80% fresh milk.
- 100% real fruit ingredients!



Release date | October 1983



## Yoplait Dr. Capsule, even stronger with 27 years of double capsule science!

Lactobacillus has a thousand-fold higher survival rate in the stomach and protects against stomach acid and bile reflux compared to the 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 ingest proteins and probiotics at the same time.

• Release date | April 2020



## The Joy of Thick Texture, Yoplait Greek

The high-protein Greek yogurt Yoplait Greek can be enjoyed in small or large size, and as sweet plain and sugar-free plain according to preference. It is Greek yogurt with reduced sour taste to be enjoyed by anyone.

• Release date | March 2023





# COFFEE & JUICE



## A Café La, rich, authentic coffee!

A Café La is a Ready-to-Drink coffee brand.

Customized extraction methods that highlight the characteristics of carefully selected beans, perfecting the natural taste and aroma of coffee!



Release date | May 2008

### Packaging Considering the Environment

A Café La : "Excellent" Grade for Recycling

eco 재활용 최우수 등급의 패키지를 사용하여 묻지 않아도 분리배출이 가능합니다.

Binggrae T'aom : "Outstanding" Grade for Recycling

eco 재활용 우수 등급의 패키지를 사용하여 묻지 않아도 분리배출이 가능합니다.



## 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 that uniquely rich coffee taste.
- Premium coffee that boasts of freshly brewed coffee taste.

• Release date | April 2020



## Zero-Calorie Energy-Boosting Drink

Power Up #Energizing #Focus  
Moisture Up #ThirstQuenching #Hydration

• Release date | July 2022



# ICE CREAM



## Together, Korea's most beloved ice cream!

As it is the first ice cream in Korea to use raw milk, you can taste the freshness and richness of 100% domestic milk.

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

### Binggrae Together

- Acquisition of "EPD (Environmental Product Declaration)" Certification



Release date | January 1974

## Melona, a living legend in the 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, premium classic ice cream

Clédor is Binggrae's richly flavored premium ice cream.

- Release date | April 2005



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

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

- Release date | November 1991



## SNACK & DESSERT



### The beloved national snack for over 30 years, Crab Chips!

Crab Chips took the market by storm upon release in September 1986, remaining very popular since then.

With the cute crab shape, there is more fun in eating this snack by inserting the finger between the crab claws, with the chips baked in heated salt for a crunchy, light taste.



Release date | September 1986

### Three colorful chips with fresh veggies and natural colors!

Snack cooked in pure vegetable oil, best when dipped in tomato ketchup.

• Release date | July 1989



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

Binggrae's Konjac Jelly is loved 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's Dessert Brand, D.D.D.

As the dessert brand released by Binggrae, D.D.D. introduces newly distinct and delicious bakery snacks.

• Release date | November 2022





# PROTEIN PRODUCTS/ HEALTH FUNCTIONAL FOOD



## The:Danbaek

The:Danbaek, Binggrae's signature protein brand, is the latest result of the company's advanced product design system.

It delivers protein in diverse forms: drink, crunch bar, and pouch.



Release date | May 2021

## VIVACITY

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

• Release date | June 2019



## Doctor Capsule Intestinal Health Gold

Micro-capsule that's strong against gastric acid to enable the lactobacillus to reach the stomach alive

Maintain your intestinal health with one capsule a day.

• Release date | August 2022



## Immune Water

100% charging of daily immunity! Contains zinc gluconate with high absorption rate  
Zero-sugar beverage-type health functional food

• Release date | March 2024



# 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.

As a distinctive green rectangular ice cream bar, Melona is much loved by every generation, especially young people with the soft, rich taste of melon and soft, creamy texture with 6% fat.

Melona's unique aroma and chewiness stimulate the palate, allowing you to enjoy the rich taste.



Release date | January 1992



## Banana-Flavored Milk that Captured the Hearts of People Around the World

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

• Release date | December 1974



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

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

• Release date | January 1991



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

Crab Chips have long been a favorite snack in Russia.

• Release date | September 1986





# SUSTAINABLE MANAGEMENT VISION & SYSTEM

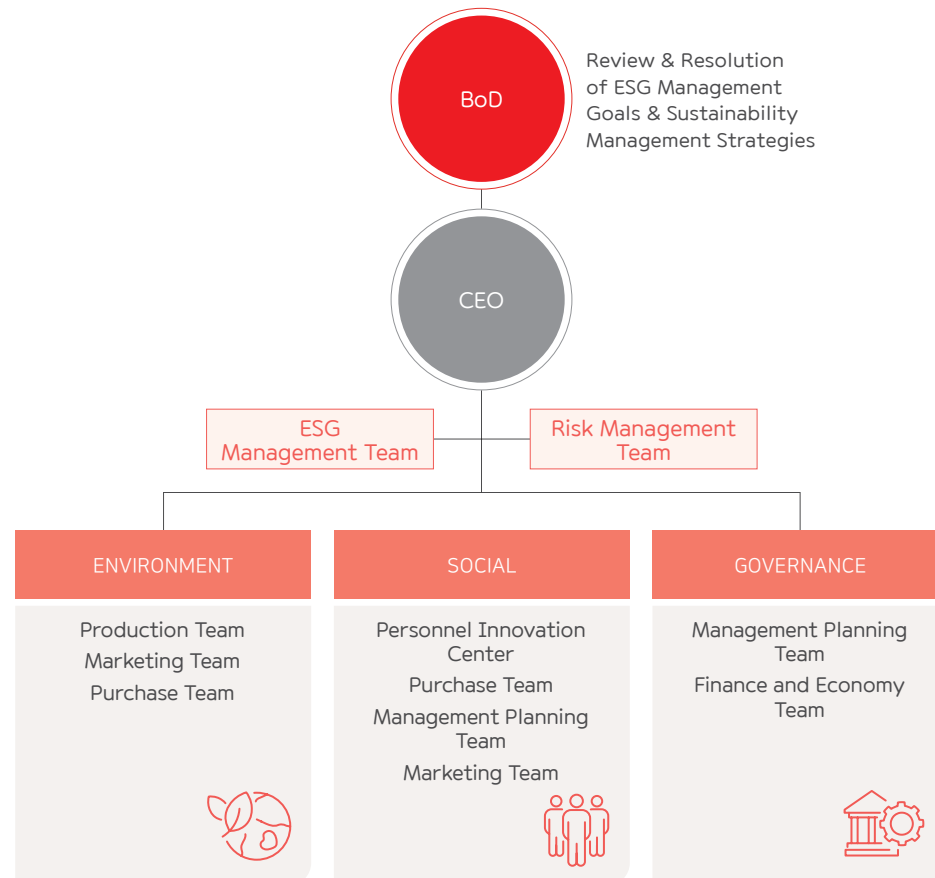
## Binggrae ESG Vision House

Binggrae's ESG management pursues both social responsibilities and sustainability through the key goals of preserving the global environment, creating social value, and realizing transparent governance. Leading the preservation of the global environment, Binggrae is focusing on the development of eco-friendly products and production method and on sustainable resource management. Binggrae is affirming its role as a socially responsible company by creating social value through donation and sharing. In addition, Binggrae is committed to realizing world-class transparent governance by emphasizing transparency and responsibility within the organization to establish trust with stakeholders.



## ESG Management Organization

In the annual BoD (Board of Directors) meeting, Binggrae carries out the review and resolution of the non-financial risks, ESG management goal setting for the following year, and sustainability management strategy. In addition, activities in each area of ESG are improved, with ESG performances monitored continuously through the organizational system composed of the ESG department directly affiliated with the CEO and exclusive and cooperative departments for each ESG area.



## ESG Rating












Binggrae has received an Integrated Grade of “A” from KCGS (Korea Institute of Corporate Governance & Sustainability) for 5 consecutive years since 2019, and a Grade of “AA” for 4 consecutive years from Sustainvest.

### ESG Evaluation Grade in 2021~2023

Evaluation Agency	Category	2021	2022	2023
KCGS	Integrated ESG Grade	A	A	A
	Environment	A	A	A
	Social	A+	A	A+
	Governance	A	B+	B+
Sustainvest	Integrated ESG Grade	AA	AA	AA



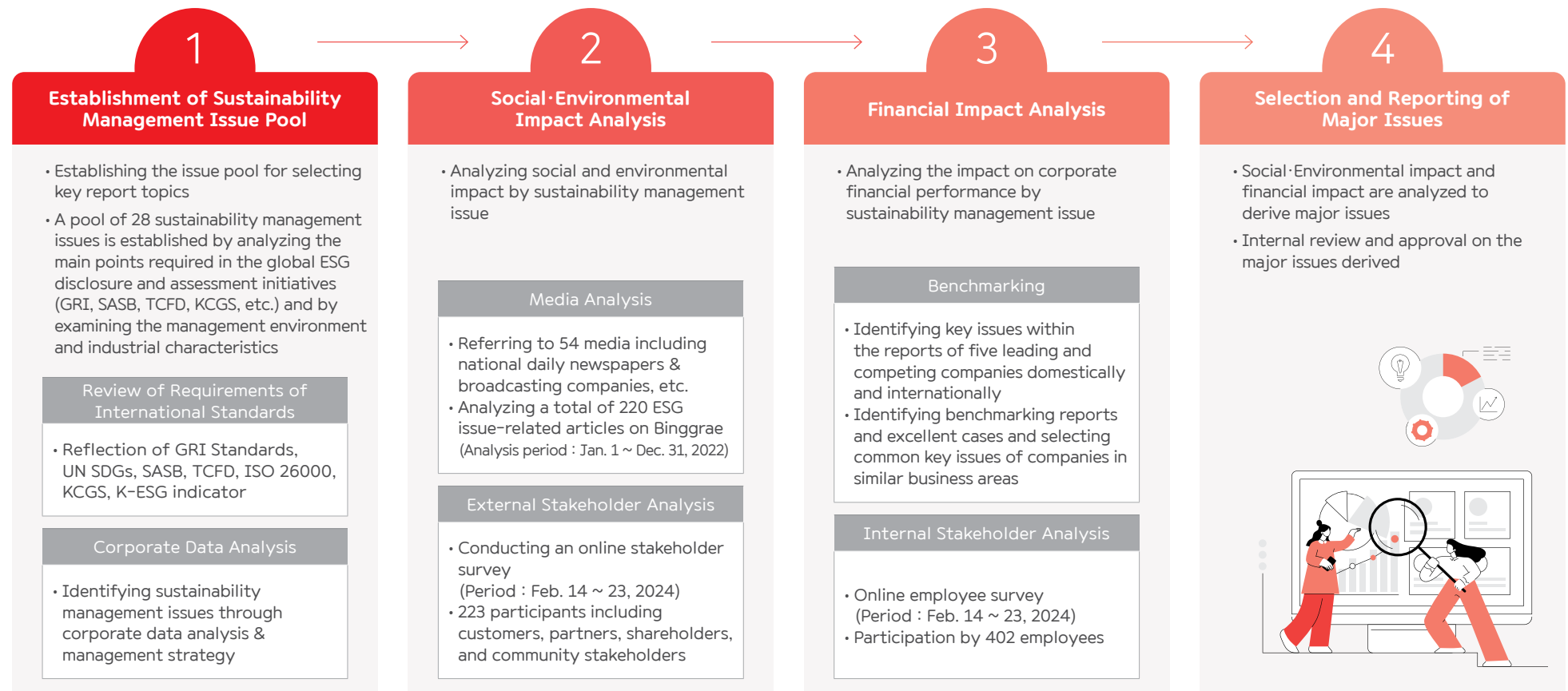
# STAKEHOLDER COMMUNICATION

Group	Communication channel		Main interest
	Common channel	Individual channel	
<b>Customers</b> 		<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, detailed product information</li> <li>• Protection of customer information</li> <li>• Transparent communication</li> </ul>
<b>Employees</b> 	 Homepage	 YouTube	<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>
<b>Shareholders</b> 	 Instagram	 Binggrae Newsroom	<ul style="list-style-type: none"> <li>• Stable management performance</li> <li>• Transparent governance</li> <li>• Provision of sustainable management information</li> </ul>
<b>Local communities</b> 	 Blog	 Sustainability Report	<ul style="list-style-type: none"> <li>• Revitalization of local economy and indirect economic effects</li> <li>• Environmental protection in local communities</li> <li>• CSR activities including donations and voluntary services</li> </ul>
<b>Partners</b> 		<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>

# DOUBLE MATERIALITY ASSESSMENT

Binggrae is performing double materiality assessment to identify sustainability management issues related to the annual business and to reflect the management strategy. This assessment is a method considering both social and environmental impact of issues involving Binggrae and financial impact within the company. In addition, We are developing priorities for sustainable management issues to reduce the risks that the organization can face in the future and to construct a sustainable management model. Through this, Binggrae identifies the challenges and opportunities in the social, environmental, and financial aspects and responds to them effectively.

## Assessment Procedure



## Materiality Assessment Result

Through double materiality assessment, the financial impact and social/environmental impact on the company are considered to select 7 major issues.

The matrix was schematized centering on 7 major issues to show the financial and social/environmental impacts, with major activities reported.

### 7 Major Issues as a Result of Binggrae's Materiality Assessment

Rank	Category	Issue	Main Activities	Financial Impacts	Social & Environmental Impacts	Report Page
1	Environment	Recycling and Waste Management	3R strategy in the circular economy, eco-friendly packaging development, waste management, etc.	High	Higher	
2	Environment	Response to Climate Change	Climate change risk and response management, GHG and energy target management, etc.	Higher	High	
3	Social	Securing Food Safety	Product development and investment, securing food safety, etc.	High	Higher	
4	Social	Strengthening Customer Satisfaction	Product improvement, etc. by reflecting the customer satisfaction management system, customer complaint reception and measure, and customer opinions	High	High	
5	Environment	Increase in Eco-friendly Products & Services	EPD (Environmental Product Declaration)-certified product and product with "Excellent" grade for recycling	High	High	
6	Social	ESG Management for the Supply Chain	Customized support through partner evaluation, ESG management for the supply chain	High	High	
7	Governance	ESG Risk Management	Double Materiality Assessment, risk management, etc.	High	High	

### Binggrae Materiality Assessment Matrix



# ECO-FRIENDLY



To realize Net Zero, Binggrae is continuing efforts to reduce GHG emissions in all processes from production to product sales and disposal. In addition, an eco-friendly packaging solution was actively introduced to contribute to environmental protection, with a sustainable supply chain constructed to promote the purchase and production of eco-friendly products. Binggrae will continue to provide a better environment to the consumers and grow into the company trusted and loved by the consumers.

27 ENVIRONMENTAL MANAGEMENT SYSTEM

30 RESPONSE TO CLIMATE CHANGE / 35 CIRCULAR ECONOMY SYSTEM

42 ECO-FRIENDLY SUPPLY CHAIN MANAGEMENT

44 ESTABLISHMENT OF ECO-FRIENDLY WORKPLACES

## Main Performances in 2023



KRW **29.08** billion

Practice of green purchasing



**6,256** tCO<sub>2</sub>eq

GHG reduction performance through packaging improvements



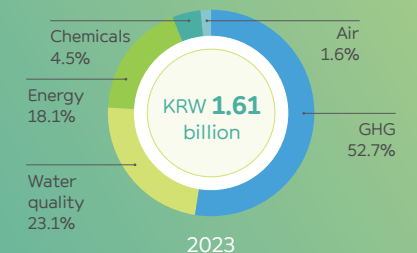
**5,074** hours

Environmental training hours completed by employees

## Waste Recycling Rate



## Amount of Investment in the Establishment of Eco-friendly Business Site





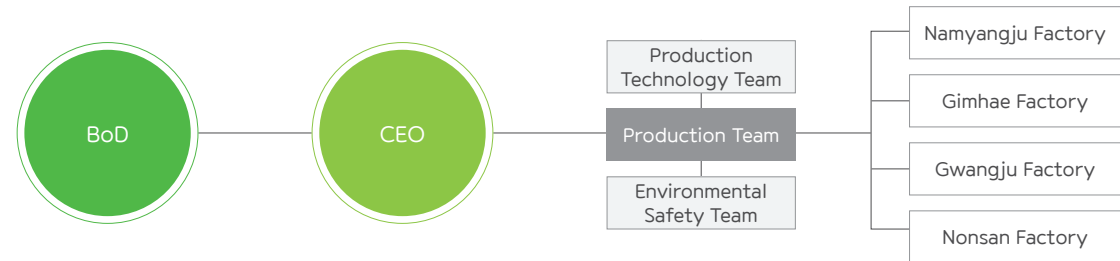
## ENVIRONMENTAL MANAGEMENT SYSTEM

Binggrae established an organization that promotes environmental management by realizing environmental management and operating the environmental management system systematically. Environmental protection and sustainable management are pursued by establishing the mid- to long-term goal; to achieve this goal, environmental impact assessment and environmental performance evaluation system are introduced so that consistent improvement is promoted.



### Environmental Promotion Organization

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



#### BoD

- Establishment of 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 task related to environmental management and performance management
- Follow-up on change in environmental regulations
- Regular performance of various environmental campaigns and internal & external practice activities
- Exclusive Team : Environmental Safety Team, Production Technology Team

### Environmental Management Policy

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.

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

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

03 Environmental goals and detailed plans are established and implemented for continuous improvement, with the implementation status verified to stabilize the environmental management system.







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

### Environmental Management System and Product Environmental Certification

Binggrae acquired the "Environmental Management System (ISO 14001)" certification for operation in all 4 business sites to fulfill its environmental responsibilities according to the environmental management policy and to minimize the environmental impact. The environmental response capabilities of the organization are strengthened through environmental impact assessment, establishment, monitoring, and measurement of environmental goals, and evaluation and improvement of environmental performances. In addition, the "EPD (Environmental Product Declaration)" certification that measures the environmental impact of pollutants was acquired for Banana-Flavored Milk and Together, etc. for the environmental improvement of products and services.

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

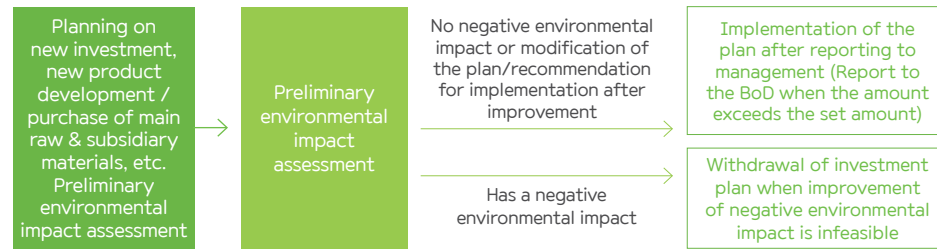
The mid- to long-term goal of environmental management is to achieve Net Zero by 2050, and goals and detailed strategies by environmental field until 2030 were established accordingly. In the production process, investment in high-efficiency facilities, efficient use of resources, increase of renewable energy, etc. are promoted to reduce carbon emission. In addition, Binggrae is promoting various tasks such as developing eco-friendly products and packaging, strengthening the lifecycle management, etc. to construct a sustainable business model and to contribute to environmental protection.

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	<div><p>25% reduction in Greenhouse Gas (GHG) emission (compared to 2022)</p></div>	<div><p>Active review of introduction of renewable energy</p></div>	<div><p>10% reduction in water unit (compared to 2022)</p></div>	<div><p>10% reduction in wastewater unit (compared to 2022)</p></div>	<div><ul style="list-style-type: none"><li>• Zero landfill waste</li><li>• Reduction of food loss/disposal amount</li></ul></div>	<div><ul style="list-style-type: none"><li>• Minimization of environmental impact of all chemicals used</li><li>• Contribution to the ecological restoration of forests/ivers in the community</li></ul></div>	
2030 Promotion Strategies & Implementation Task	<div><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 major energy loss points</li><li>• Improving the energy use management-extended application of FEMS (Factory Energy Management System)</li></ul></div> <div><b>[Supply Chain / Distribution Network]</b><ul style="list-style-type: none"><li>• Expanding the GHG (Greenhouse Gas) management of key supply chain &amp; distribution network</li></ul></div> <div>※ The GHG goal can be changed according to the national policy.</div>		<div><b>[Business Site]</b><ul style="list-style-type: none"><li>• Developing the production process for the reduction of water use</li><li>• Efficiency in using water resources by reviewing the use of recycled water/ rainwater</li><li>• Minimizing pollutant discharge by introducing an eco-friendly, sophisticated treatment system</li></ul></div> <div><b>[Community]</b><ul style="list-style-type: none"><li>• Purification of the community environment through purification activities on water sources and surrounding rivers</li><li>• Minimization of pollution from living and inconveniences by performing impact assessment of the surroundings</li></ul></div>		<div><b>[Business Site]</b><ul style="list-style-type: none"><li>• Introducing a sludge reduction facility</li><li>• Contributing to the virtuous cycle of waste through zero landfill processing</li></ul></div> <div><b>[Production]</b><ul style="list-style-type: none"><li>• Selecting materials that can realize a virtuous cycle of raw &amp; subsidiary materials/packaging materials</li></ul></div> <div><b>[Community]</b><ul style="list-style-type: none"><li>• Increase in food donation to the community</li></ul></div>		<div><b>[Business Site]</b><ul style="list-style-type: none"><li>• Performance of preliminary environmental impact assessment of new substances</li><li>• Review of switching to eco-friendly substances</li><li>• Investment in the systematization of daily records on substance use</li></ul></div> <div><b>[Community]</b><ul style="list-style-type: none"><li>• Contribution to ecosystem restoration by donating trees to areas affected by forest fire</li><li>• Contribution to restoration of aquatic life in rivers of the community</li></ul></div>



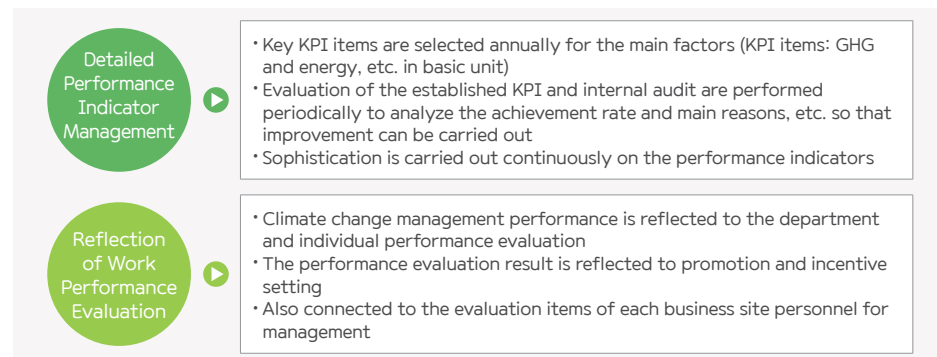
### Environmental Impact Assessment

Binggrae performs environmental impact assessment prior to decision making on management matters such as new investment, new product development and purchase of main raw & subsidiary materials, etc.; through this, the environmental impact of the relevant business or product is identified in advance. The result of environmental impact assessment is reflected to the investment opinion for use as important information in making management decisions.



### Environmental Performance Evaluation System

Key goals are set and managed annually with regard to GHG, energy, water, wastes, etc. for the systematic operation of the environmental management system, and performance compared to the goal and inspection of the plan is identified through monitoring. Moreover, priority control items are reflected to the evaluation of individual work performance to enable the employees to participate actively in environmental management and fulfill their responsibilities.



### Environment Management Training

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 general environmental training, professional training (internal & external face-to-face or video training) is also provided for each area such as noise, air, water quality, hazardous chemicals and waste discharge, etc.

#### Status of Environmental Management Training

	Item	Unit	2021	2022	2023
Environmental education	Total education hours	hours	4,030	7,146	5,074
	No. of trainees	persons	1,685	2,138	2,260
	Education hours per person	hours	2.4	3.3	2.2

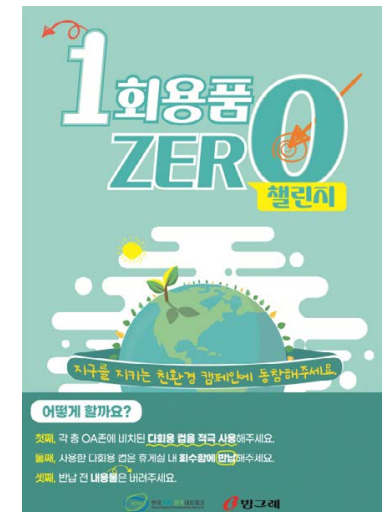
### Environment-friendly Campaigns

#### “Zero” Disposable Cup Use

Binggrae was selected in the “2023 Project on Funding the Private Sector for Practicing Resource Circulation and Carbon Neutrality Life” contest to carry out the campaign on “Zero” Disposable Cup Use for the practice of zero-waste organizational culture.

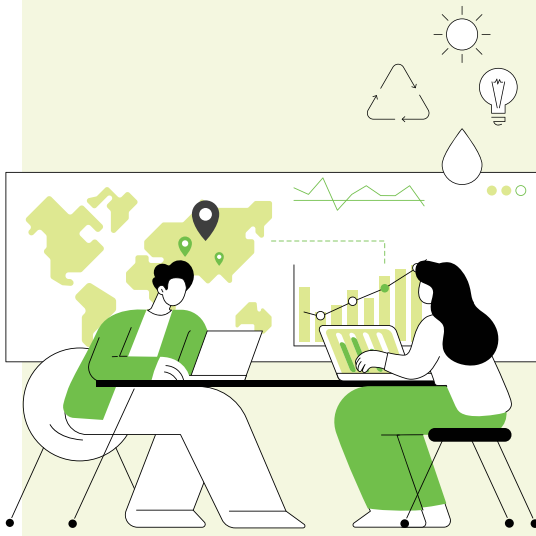
Multi-use cups and collectors were arranged in the business sites to promote participation by the employees in practicing resource circulation, and the campaign was expanded to the head office.

Individual tumblers were provided, with an eco-friendly tumbler washer installed in each office floor to increase participation by enhancing the hygiene management and convenience of employees.



## RESPONSE TO CLIMATE CHANGE

Due to climate change, extreme weather events and natural disasters are occurring more frequently; these events are expected to become more serious if the current trend continues. Binggrae is consistently monitoring policies on climate change and business impact. GHG emission and energy use are strictly controlled, and projects for improving energy efficiency are being performed. Through this, Binggrae is strengthening the environmental responsibility and sustainability of its business.



### Governance in Response to Climate Change

Binggrae is making decisions required for reducing GHG and responding to climate change through the management including the Board of Directors (BoD). The Environmental Safety Team and Production Technology Team are setting goals and managing performances related to climate change, and activities such as energy-saving system and eco-friendly packaging through R&D are promoted by discussing with the relevant departments.

### Analysis of Climate Change Scenario

In Binggrae, activities on the climate change issue and response are carried out primarily by the Production Technology Team in the Production Headquarters, with the results reported to the management and Board of Directors (BoD). The Production Technology Team sets detailed goals related to climate change, and performances are managed. In addition, discussions are held with the relevant departments to strengthen the response system related to the climate. Moreover, Binggrae reviews the corporate strategy and resilience by considering the SSP (Shared Socio-economic Pathways) scenario from the Intergovernmental Panel on Climate Change (IPCC). Especially, the review focused on the raw materials (ex.: Crude oil) impacted considerably by climate change to predict the price increase due to climate change in the future. As such, extreme weather events due to climate change can result in continuous increase or instability of the raw material price, and they are judged to have financial impact.

Binggrae analyzes the climate change data and reviews the risks and opportunities that can have an impact on the company to respond accordingly, with a climate change strategy established. Through these efforts, comprehensive and systematic responses to climate change are reinforced.

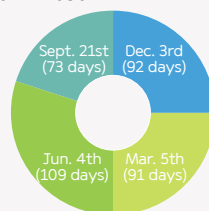
### Future Prospect of Change in Season Length

The date of the start of spring in Korea is expected to continually be earlier, and summer will be longer. Winter is gradually getting shorter as well.

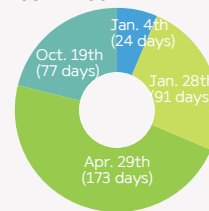
\* Summer is expected to be 64 days longer from 109 days in the 2020s to 173 days in the 2090s

\* Winter is forecast to be 68 days shorter from 92 days in the 2020s to 24 days in the 2090s

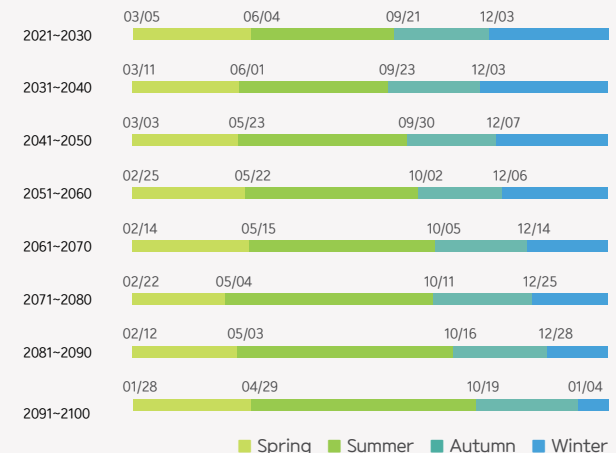
Season Length, SSP5-8.5, Nationwide, 10 years, 2021~2030



Season Length, SSP5-8.5, Nationwide, 10 years, 2091~2100



Season Length, SSP5-8.5, Nationwide, 10 years, Total



## Climate Change Risk and Response Management

Binggrae analyzes the risks and opportunities brought about by climate change by considering the urgency and materiality by various factors having impact on the management. In addition, financial impact is identified accordingly to find the response methods for strategically dealing with climate change risks.

Increase in GHG emission according to the increase in production, higher cost and failure of supply and demand for production, equipment restoration cost due to natural disasters, etc. were derived as major risks; meanwhile, reduction of energy cost according to equipment investment and enhancement of image as an eco-friendly company, etc. were recognized as new opportunity factors. Binggrae comprehensively reviews the financial impact to establish and check the response strategies for sustainable growth according to climate change.

Type	Factor	Risk	Opportunity	Financial Impact	Response Strategy
Transition Risk Factor	Policy	<ul style="list-style-type: none"> <li>Carbon emission increase linked to increase in production;</li> <li>Plastic use increase linked to increase in sales;</li> <li>Carbon emission tax imposed on overseas export</li> </ul>	<ul style="list-style-type: none"> <li>Response to regulations is used as the driving force for systematic &amp; quick transition to an eco-friendly company</li> </ul>	<ul style="list-style-type: none"> <li>Increase in costs due to response to regulations (investment in carbon reduction equipment, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Trial-and-error reduced through preemptive regulatory analysis and preparation, cost saved</li> </ul>
	Technology	<ul style="list-style-type: none"> <li>Inputted resources (manpower/time/cost) for reducing GHG emission are increased</li> </ul>	<ul style="list-style-type: none"> <li>Energy cost is saved through investment in system for GHG reduction</li> <li>Production stability and operation safety are strengthened based on the replacement of obsolete equipment</li> </ul>	<ul style="list-style-type: none"> <li>Cost of investing in GHG reduction is increased</li> </ul>	<ul style="list-style-type: none"> <li>Government support projects on reducing GHG are utilized (Reduction of investment cost by up to 50%)</li> </ul>
	Legal	<ul style="list-style-type: none"> <li>Litigation arising in relation to the environment, such as climate change, etc.</li> </ul>	-	<ul style="list-style-type: none"> <li>Incurring expenses to respond to litigation</li> </ul>	<ul style="list-style-type: none"> <li>Reviewing and establishing response methods through a 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>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 on the raw material and energy market, introduction of high-efficiency equipment</li> </ul>
	Reputation	<ul style="list-style-type: none"> <li>Expectations of stakeholders with regard to our role as an eco-friendly company</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced image as an eco-friendly company &amp; increased sales by meeting market expectations</li> </ul>	<ul style="list-style-type: none"> <li>Possibility of increasing or decreasing sales &amp; operating income according to the change in corporate reputation</li> </ul>	<ul style="list-style-type: none"> <li>Active spread of eco-friendly capability 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>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> <li>Increase in utility expenses</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary preparation of scenarios related to climate disasters, provision of response training</li> <li>Efficiency in utility use (Use of high-efficiency equipment, etc.)</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>Opportunity to discover 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, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Establishing a mid- to long-term environmental response policy</li> </ul>

## GHG/Energy Target Management

Binggrae identifies the risks and opportunities according to the climate change to continue the efforts for achieving the GHG and energy management goals based on the management system established together with the response plan. For this, a GHG manager is designated, and the GHG emission and energy use are monitored periodically to promote active response for the goal of reducing GHG emission. Especially, the goal is to reduce GHG emission by 25% until 2030 compared to 2022, and an annual goal was established to implement investment and reduction activities actively.

### Master Plan on GHG/Energy Target Management

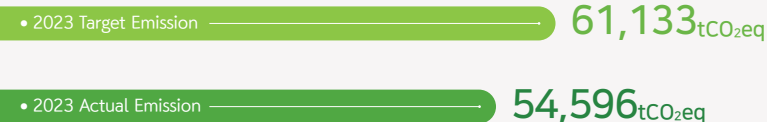
Category	Implementation Details
Establishment and submission of the 2024 implementation plan	<ul style="list-style-type: none"> <li>Identify issues for the reduction implementation plan and prepare the basis for calculating the reduction implementation plan</li> <li>Input the information into the national GHG information system</li> <li>Submit the implementation plan</li> </ul>
Preparation and submission of 2023 statements (including the implementation performance)	<ul style="list-style-type: none"> <li>Collection of Binggrae 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 implementation plan</li> </ul>
2024 reduction implementation check	<ul style="list-style-type: none"> <li>Preparation of investigation sheet on implementing the reductions in the first semester, on-site inspection</li> </ul>
Implementation of the 2024 GHG emission reduction plan	<ul style="list-style-type: none"> <li>Execute the implementation plan</li> <li>Discover and execute additional themes</li> </ul>
2025 reduction goal setting	<ul style="list-style-type: none"> <li>Negotiate reduction targets (KOAT)</li> </ul>
Participation in assistance training	<ul style="list-style-type: none"> <li>GHG reduction research association (3 times a year)</li> </ul>

## GHG Emission

Item	Unit	2021	2022	2023
Total amount of GHG emissions	tCO <sub>2</sub> eq	60,993	59,514	57,280
Scope1(Direct Emission)	tCO <sub>2</sub> eq	17,989	17,232	16,254
Scope2(Indirect Emission)		43,012	42,294	41,035
Intensity of greenhouse gas emissions	tCO <sub>2</sub> eq/ton	0.224	0.214	0.213

\* The total amount of GHG emissions is the sum of GHG emissions from all individual emission sources and may be slightly different from the actual emission amount.

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



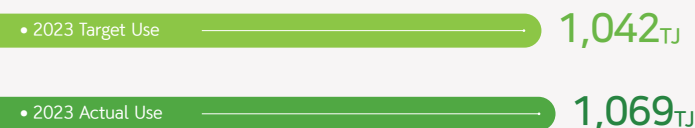
\* Based on main business sites whose target emission has been set

## Energy Use

Item	Unit	2021	2022	2023
Total amount of energy use	TJ	1,227	1,198	1,151
Use of electricity	TJ	899	884	857
Use of fuel		334	320	302
Intensity of energy use	TJ/ton	0.00434	0.00431	0.00428

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

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



\* Based on main business sites whose target use has been set

## Greenhouse Gas (GHG)·Energy Reduction Activity

Binggrae is implementing an equipment investment and low-carbon process improvement project for GHG reduction and energy saving. Major activities in 2023 include establishing the automatic discharge system for the non-condensable gas in the chiller unit, blocking the moisture and inflow of outdoor air in the cold storage warehouse to reduce the refrigeration load, and improving the efficiency of the steam equipment. The estimated amount of GHG reduction from these activities is 2,201 tCO<sub>2</sub>eq, and the energy-saving amount is 45.6TJ.

### Details of Investment in Main Equipment



March 2023 – High-efficiency one-through boiler introduced

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



April 2023 – High-efficiency chiller unit installed

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



January 2023 – Brine pipe introduced

**[Investment effect]** Coldness release loss is improved for the brine pipe for energy saving / GHG reduction



January 2023 – High-efficiency Eva-Con installed

**[Investment effect]** Energy efficiency is increased by installing the high-efficiency Eva-Con

## Introduction of Renewable Energy

Binggrae is actively promoting the introduction of renewable energy for responding to climate change; for this, a 199.8kW photovoltaic power facility was installed in the Nonsan factory in December 2023. The estimated annual power generation amount is 277,123kwh, and the relevant GHG reduction effect is up to 48.93 tCO<sub>2</sub>eq annually. By introducing renewable energy, Binggrae is reducing the GHG emission compared to fossil fuel and leading sustainable environmental protection.



Photovoltaic Power Facility, Nonsan Factory

## Investment Plan for Greenhouse Gas (GHG)·Energy Reduction

For the reduction of GHG emission and energy use, Binggrae is investing in enabling high efficiency of obsolete utility systems, sophisticating the inverter control, switching to high-efficiency lighting, etc. Likewise, for energy saving in factories located in each region, tasks required for improving the working environment are discovered for phased investment.

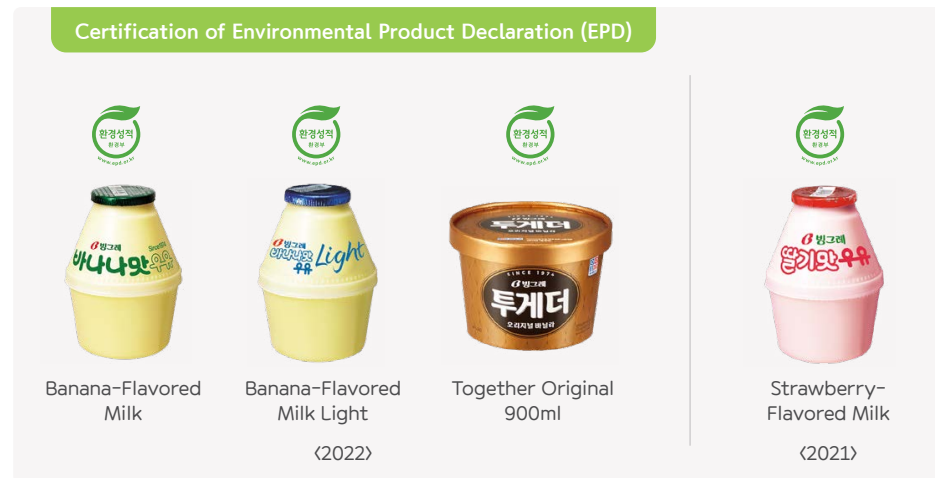
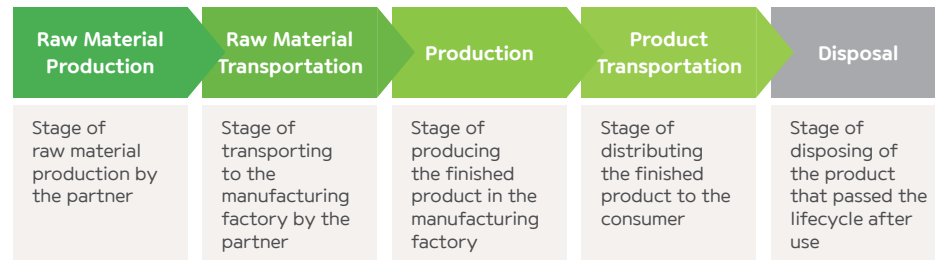
### Main Investment Plan for GHG/Energy Reduction

Category	Main Contents	Investment Amount (KRW 1 million)
Enterprise-wide	Introduction of high-efficiency equipment (installation of one-through boiler)	900
Namyangju Factory	Replacement of obsolete air compressor	79.45
Gimhae Factory	Installation of photovoltaic system and replacement of ice builder coil	245
Gwangju Factory	Improvement of inverter on the air compressor and replacement of boiler economizer	94.4
Nonsan Factory	Switch to the high-efficiency EVA CON	430
Total		1,748.85



## Carbon Footprint of the Products

Binggrae is measuring the carbon footprint of products with high sales portion such as Banana-Flavored Milk and Together—in other words, the carbon emissions in the overall lifecycle of the products are measured. Throughout the overall process from raw material collection to disposal, LCA (Life Cycle Assessment) was performed on the environmental impact of the products. Through this, environmental information was disclosed objectively regarding the resources and energy, etc. inputted in the overall process to acquire “EPD (Environmental Product Declaration)” certification.



## Appreciation Plaque Awarded as an Excellent Company Practicing Net Zero

In November 2023, Binggrae received an 「Appreciation Plaque as an Excellent Company Practicing Net Zero」 in the 2023 National Competition on Practicing Net Zero hosted by the Ministry of Environment and organized by the Korea Climate & Environment Network.



## Keynote Presentation in the 2023 Korea Eco-friendly Packaging Forum

In the 2023 Korea Eco-friendly Packaging Forum held in November 2023, the Vice-Chairman of Binggrae's ESG Committee-Environment Sector was invited as speaker, presenting 「Keynote 2. Brand Owner : Efforts of the Food Industry for Sustainable Packaging」.



Presentation Topic

“Introducing cases of Carbon Emission Reduction & Resource Circulation Campaign”

## CIRCULAR ECONOMY SYSTEM

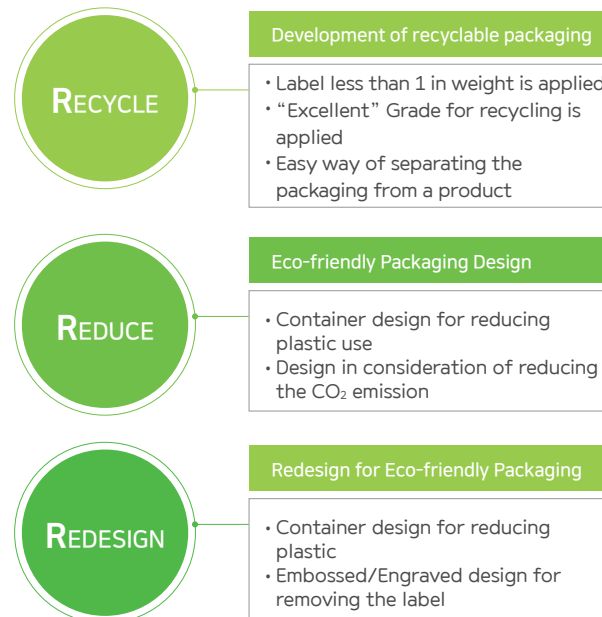
Binggrae is pursuing environmental protection and economic efficiency simultaneously through resource circulation activities. For this, the 3R (Recycle, Reduce, Redesign) strategy is promoted actively, and sustainable production is targeted by developing and applying eco-friendly packaging. In addition, wastes from the production process and disposal stage are handled efficiently to minimize the wastage of resources, and the negative impact on the environment is reduced as much as possible.



### 3R Strategy in the Circular Economy

Binggrae is continuing efforts to reduce the generation of waste through resource circulation and achieve GHG reduction through the circular economy. By promoting the 3R (Recycle, Reduce, Redesign) strategy, the recyclability of the product packaging container is increased, and plastic use is reduced to decrease GHG emission.

Improvements are made for lightweight containers and packaging materials, including convenience of separate recycling through the development of eco-friendly packaging according to the characteristics by product. PIR (Post-Industrial Recycled) from the production process is also utilized to enhance the recyclability of the raw materials of plastic. Meanwhile, over 90% of the wastes generated are handled through a specialized recycling company to minimize the environmental burden.



### Development of Eco-friendly Packaging

Binggrae is developing and applying eco-friendly packaging to reduce the use of resources and minimize wastes throughout all stages from production to disposal of products and packaging materials.

By reducing the container weight of our main product, Banana-Flavored Milk, and reprocessing the plastic waste generated during the container production process for reuse, we have achieved an annual reduction of approximately 4,000 tons of CO<sub>2</sub> emissions.

In addition, the packaging of the original product of coffee brand "A Café La" was changed to the eco-friendly packaging material for convenience of separate recycling, and the application of eco-friendly packaging is expanded by introducing label-free packaging for products such as "A Café La Simply" and "Clear Sky Balloon Flower Root Tea."

### External Awards for Eco-friendly Packaging

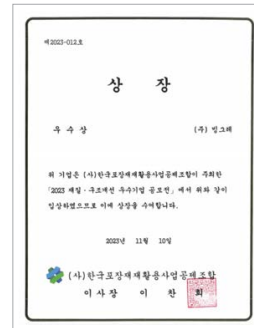
In September 2023, Binggrae received a commendation from the Minister of Environment in the "2023 Contest for Excellent Business on Reducing Disposable Products & Packaging Materials and Promoting Recycling" for contributing to environmental preservation. Binggrae was recognized externally for its consistent eco-friendly campaigns and implementation activities, including the case of improving the product recycling grade for circular economy activities and the case of reducing CO<sub>2</sub> emission.



## Introduction of Eco-friendly Packaging

Binggrae products such as “A Café La Simply” and “T’aom,” etc. received the “Excellent” grade for recycling and “Outstanding” grade for recycling (certified by the Korea Environment Corporation) thanks to their eco-friendly packaging. Binggrae is also continuing the efforts for reducing the consumption of resources by using lightweight packaging materials, and for enabling easy and efficient recycling by improving the recycling grade. As a result, GHG emission was reduced by approximately 6,256tCO<sub>2</sub>eq through recycling activities and lightweight packaging materials in 2023.

### [Eco-friendly Packaging Applied in 2021~2022]



Award in the 2023 Contest for Outstanding Companies Improving the Packaging Material & Structure

### Highest-grade products for recycling initiative

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



T'aom

### Highest-grade products for the recycling initiative



Label-Free Packaging

A Café La Simply



Clear Sky Balloon Flower Root Tea

Shrink label with specific gravity of less than 1



A Café La 240ml

### Improvement of Recycling Grade



#### REMOVAL

Remove Calcium carbonate from the Yoplait original sheet



#### SEPARABLE TOP

Veggie (Tetra Top) DETACHABLE TOP\* changed  
\*DETACHABLE TOP : Synthetic resin cap that enables detaching from the body of the paper pack

### Lightweight Packaging Materials

OPP/AL vinyl thickness reduced



OPP



AL

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

Miscellaneous materials removed from the plastic



Cap removed

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



## [Main Products Applied with Eco-friendly Packaging in 2023]

## Lightweight Plastic Containers (Weight reduced by 8.9~12.5% for each product)



T'aom(235ml)



A Café La Simply PET



Yoplait Protein Drink



Clédor Parfait

## Lightweight Ice Cream Film (50 → 40 μm)



Samanco



Melona



B.B.BIG



Pangtoa



Yomamte Bar



Cookie &amp; Cream Bar



Candy Bar

Tangerine-flavored  
Ice Cream

Kakao Friends Ice Bar



Clédor Bar



Cafe au lait

## [Main Products Applied with Eco-friendly Packaging in 2023]

## Removal of Shrink Film



Together



Gracia

## Lightweight Shrink Label (Thickness reduced by 10%)



aCafé La Original



## Resource Circulation of Waste

In November 2023, Binggrae signed a business agreement with the Yeouido Information Center of the Seoul Metropolitan Government, Future Hangang Headquarters to increase the resource circulation of recycling wastes in Han River. Through this agreement, Binggrae is waging the ESG campaign on installing the “Up-Box Station” in the Hangang Park Event Square in Yeouido. As a large recycling bin produced by Reco for improving the waste recycling rate, the Up-Box Station is convenient in loading and separating a large amount of recycling items. Through this, wastes generated from Hangang Park are subjected to separate recycling, with the culture of practicing resource circulation spread among the users.



## Waste Management

To respond actively to waste policies and to minimize the environmental impact due to the generation of wastes, a waste treatment goal is established for handling wastes annually. These efforts are aimed at participating actively in the resource circulation; to increase the recycling rate as a fundamental solution to the waste issue, wastes are handled systematically through an outsourcing company.

### Waste Disposal Status

Item	Unit	2021	2022	2023
Total amount of waste		10,362.6	9,757.9	9,832.8
Regular waste	Recycling	9,631.2	9,037.2	9,069.7
	Incineration	661.0	650.3	680.2
	Landfill	0	5.2	5.5
	Subtotal	10,292.3	9,692.7	9,755.4
Designated waste	Recycling	64.6	59.4	73.1
	Incineration	5.6	5.8	4.2
	Landfill	0	0	0.1
	Subtotal	70.3	65.1	77.4
Amount of recycled waste		9,695.9	9,096.6	9,142.8
Waste recycling rate	%	93.6	93.2	93.0

### Performances Compared to the Waste Management Goals

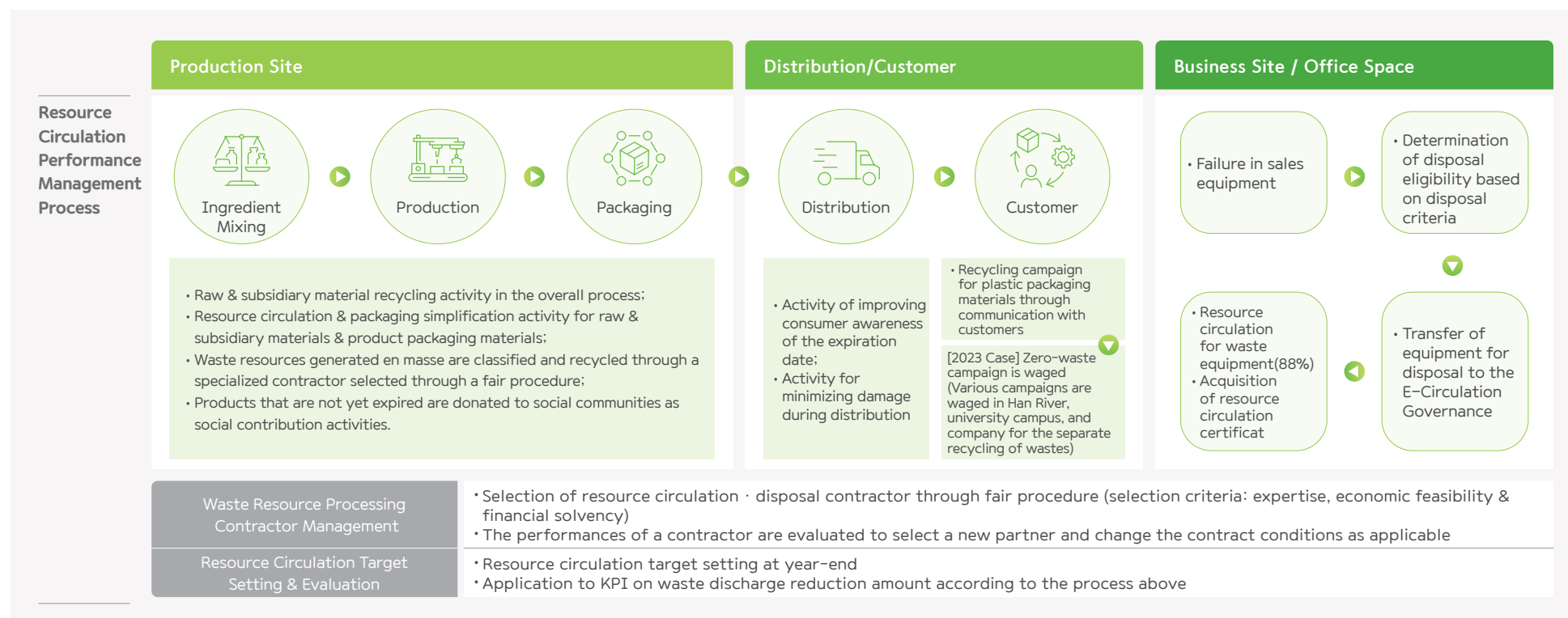
• 2023 Target Emission 9,750 tons

• 2023 Actual Emission 9,833 tons

## Resource Circulation Performance Management Process

Binggrae is operating the resource circulation performance management process to pursue environmental protection and economic profit at the same time by recycling resources efficiently. From the production stage, recycling of raw and subsidiary materials and eco-friendly technologies are introduced actively. In addition, campaigns for promoting resource circulation are waged to enhance social awareness, and recycling of resources is promoted.

Moreover, the annual resource circulation goal is set and reflected to the performance indicator to promote continuous performance improvement.



### Main Performances on Resource Circulation in 2023

93.0%



Recycling rate compared to the total waste generated

KRW 1,379 million



Food donation amount

Waste electronics 255 tons  
Production of recycled resource

Recycled sales equipment

1,118tCO<sub>2</sub>eq  
Carbon reduction

## Environment-friendly Resource Circulation Campaigns

Binggrae wages various campaigns annually for promoting eco-friendly resource circulation, and these campaigns are mostly focused on promoting the collection and recycling of wastes and spreading environmental awareness.

Through this, Binggrae contributes to emphasizing social responsibilities and practicing environmental management.

2021

### “Let’s Bloom the Earth” Campaign

- Yoplait containers were collected from consumers who purchased the “Yoplait Zero Waste Pack,” with upcycling carried out through a special process
- All proceeds from upcycling with the eco-friendly recycling kit “Yoplait Gardening Kit” were donated to environmental organizations through the Happy Bean Crowd Funding



2022

### “Everyday Danbansa” Campaign

- Empty plastic bottles of Banana-Flavored Milk were collected from 51 elementary schools nationwide to enable the students to discharge directly and to participate in the eco-friendly activity
- 29,060 people participated to achieve the collection amount of 846kg, and the proper discharge method was informed to contribute to the formation of habit of eco-friendly activities



2023

### “Zero Waste” Campaign

- MOUs were signed with 11 agencies including the Ministry of Environment to spread the culture of practicing resource circulation
- Campaigns for contributing to spreading the culture of practicing resource circulation in the university campus (Binggrae “Summer Crush” applied with eco-friendly packaging is given when separate recycling of wastes is done), installing the Zero-Waste Booth in Hangang Park, and promoting the use of tumblers in the company were held





## ECO-FRIENDLY SUPPLY CHAIN MANAGEMENT

For eco-friendly supply chain management, Binggrae promotes the purchase and production of eco-friendly products and selects and supports eco-friendly partners through ESG evaluation. Through this, Binggrae is strengthening environmental protection and establishing a sustainable business ecosystem.



### Establishment of Green Partnership

Binggrae is spreading the “Code of Conduct for Binggrae Partners” it introduced to establish the ESG supply chain. Partners are provided with an ESG self-assessment checklist(10 environmental items) to perform self-evaluation in environmental, safety, and social areas, and acquisition of eco-friendly certificate is considered for reward and reflection to contract renewal. 127 companies participated in 2023, and the environmental assessment checklist will be prepared in more detail and improved based on the partner rating.

#### Code of Conduct in the “Environmental Field” for Binggrae Partners

- Establishing the environmental management policy and governance
- Acquiring certifications in the environmental field
- Assuming responsibility for preventing environmental pollution and reducing resource wastage
- Reinforcing management responsibilities on waste, wastewater, and hazardous chemicals
- Assuming responsibility for preventing air pollution
- Reinforcing energy consumption and GHG emission management
- Assuming responsibility for the procurement of eco-friendly raw & subsidiary materials

### Supply Chain ESG Evaluation Status

Classification	2021	2022	2023
ESG self-assessment checklist	Response by 46 companies	Response by 92 companies	Response by 127 companies
Additional points applied in evaluation according to the ESG-related certifications held*	15 companies	8 companies	37 companies

\* ESG-related certification : ISO 14001, ISO 9001, ISO 45001, ISO 37301, Green Technology and CCM Certification, etc.

### Green Purchase Policy

- First** Binggrae will comply with environmental protection and environmental laws together with business partners to fulfill its social responsibilities.
- Second** Binggrae will share and implement its environmental policy with business partners to establish a shared growth relationship.
- Third** Binggrae strives to secure the best partner companies for win-win growth through the development of eco-friendly products, continuous quality improvements, and rational cost calculation.

### Use of Raw & Subsidiary Materials

Binggrae is using raw milk as the main raw material for dairy products and ice cream, with plastic film and container, etc. used for other packaging materials. For the packaging materials, use of resources is minimized through eco-friendly packaging design and by replacing with eco-friendly, lightweight materials.

### Use of Major Raw Materials\*

Classification	Unit	2021	2022	2023
Raw milk	tons	152,721	145,156	139,546
Intensity of use**	ton/ KRW 100 mil.	13.3	11.5	10.0

\* Consolidated accounting standard

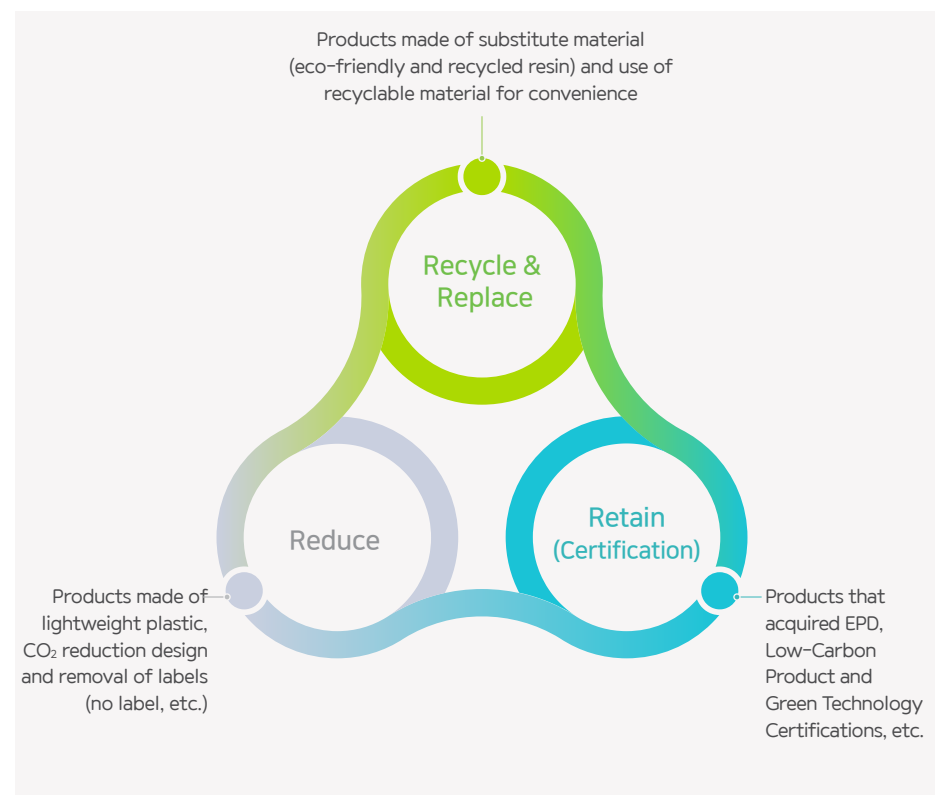
\*\* Intensity of use : Based on sales amount

## Eco-friendly Purchase & Sales

Binggrae continues efforts for reducing not only the consumption of natural resources but also environmental pollution. Eco-friendly products are developed according to internal regulations on eco-friendly products, and eco-friendly purchase amount is being increased.

For the last 3 years, the eco-friendly purchase and sales amount has been increasing consistently.

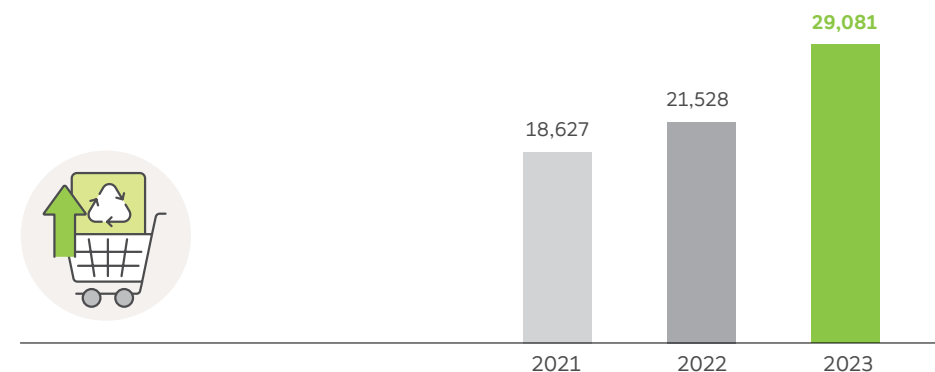
### Standard for Eco-Friendly Purchase & Sales



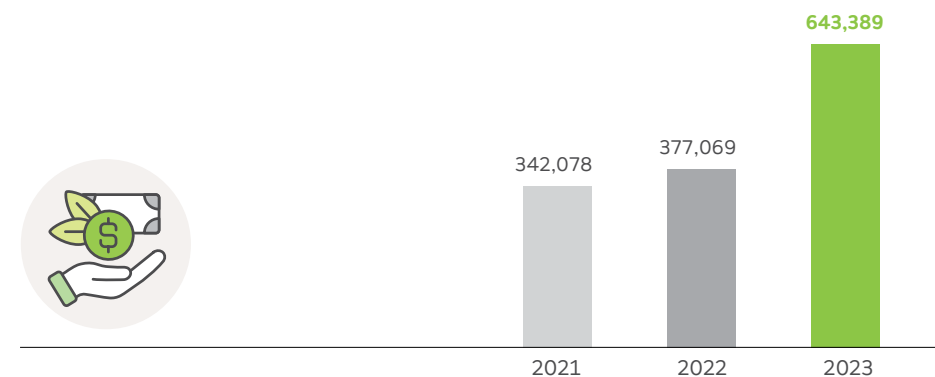
## Eco-friendly Product Purchase & Sales Amount

### Green Purchase

(Unit : KRW 1 mil.)



### Green Sales



## ESTABLISHMENT OF ECO-FRIENDLY WORKPLACES

Binggrae focuses various efforts for eco-friendly management, including establishing environmental goals, improvement activities, environmental protection, accident prevention, and compliance with environmental laws according to the enterprise-wide environmental management system. By performing daily inspections and monitoring to manage air/water pollutants and wastes, etc., environmental pollution is minimized, and equipment investment is made to improve the environmental infrastructure.



### Environment-friendly Management Investment

Binggrae is investing according to the environmental impact assessment by business site to minimize environmental pollution and protect the environment. Various investment activities are carried out including equipment improvement and maintenance as well as introduction of new equipment for energy efficiency and GHG reduction.

Especially in 2023, one-through boiler was installed in the Namyangju Factory to reduce air pollutants and secure efficiency of energy use, with the filter replaced regularly to reduce the bad smell. In addition, an IoT system was introduced to the Nonsan Factory for the establishment of a real-time monitoring system.

Meanwhile, in order to reduce water pollutants, the Namyangju plant partially replaced and additionally introduced the MBR separation film, and the Gimhae plant introduced UV sterilization equipment for the chlorination of effluent to minimize eco-toxicity caused by disinfection products.

### Eco-friendly Investment Amount

(Unit : KRW 1 million)

Classification	2021	2022	2023
Investment to reduce air pollutants	42.7	35.0	26.0
Investment to reduce water pollution	219.4	529.7	371.6
Investment to manage hazardous chemicals	89.9	100.6	71.6
Reduction of GHG emissions	1,449.0	124.0	848.0
Improvement of energy efficiency	733.9	328.0	292.0
Total	2,534.9	1,117.3	1,609.2

### Atmospheric Environment Management

Binggrae establishes a reduction plan for air pollutants annually and strengthens eco-friendly investment and self-management standards. The average concentration of air pollutants is maintained at 50% or less compared to the legally acceptable standard, and efforts are also made to reduce pollutants compared to the total amount of emission. Continuous investments are made in pollutant reduction facilities to minimize the environmental impact through daily on-site inspection of the air pollutant prevention facility and periodic inspection of the prevention facility manufacturer, and by requesting maintenance.

#### Air Pollutant Management

(Unit : tons)

Classification	2021	2022	2023
PM(fine dust)	0.35	0.54	0.37
NOx	3.51	3.22	3.35
SOx	0	0.04	0

### Water Quality Management

Through physico-chemical treatment, Binggrae maintains the average concentration of water pollutants at 30% or less compared to the legally acceptable standard.

#### Major Activities in Water Quality Management

Classification	Activity Details
Namyangju Factory	SS standard (within 30ppm, legal standard is 120ppm) Outsourcing analysis (2 times/month), self-analysis (Daily SS)
Gimhae Factory	SS standard (within 10ppm, legal standard is 30ppm) Operation of water quality TMS (24-hour monitoring)
Nonsan Factory	SS standard (within 18ppm, legal standard is 80ppm) Operation of water quality TMS (24-hour monitoring), self-analysis of water quality
Gwangju Factory	SS standard (within 15ppm, legal standard is 40ppm) Self-analysis (2 times/week)

## Water Resource Management

Due to the characteristics of the production process of food & beverage products, high-quality water is used, and process improvement and water recycling methods are derived for efficient water management. This reduces the water use and enhances recycling, with water-related issues checked and improved consistently. As a result of these efforts, water use has been decreasing annually for the last 3 years, with the recycling rate increasing.

### Water Recycling Status

- Water use reduced through process improvement
- Reuse of wastewater for cleaning the environmental facilities (wastewater disposal plant and waste transfer station)
- Reused as wash water during the equipment cleaning process
- Process that enables using treated water and place of use are consistently explored



### Water Use and Recycling Status

Classification	Unit	2021	2022	2023
Water use	tons	1,439,965	1,368,348	1,334,206
Recycled water volume		44,728	64,039	71,656
Water recycling rate	%	3.1	4.7	5.4

### Performances vs the Water Use Goal

• 2023 Target Use 1,350,000 tons

• 2023 Actual Use 1,334,206 tons

## Water Intake Quantity & Water Use by Business Site

(Unit : tons)

Business Site	Source of Supply	2023	
		Water Intake	Use
Namyangju Factory	Third party-supplied water (water supply, industrial water, etc.)	196,800	196,800
	Underground water	305,355	305,355
	Recycled water	43,060	43,060
	Subtotal	545,215	545,215
Gimhae Factory	Third party-supplied water (water supply, industrial water, etc.)	56,959	56,959
	Underground water	346,290	346,290
	Recycled water	28,596	28,596
	Subtotal	431,845	431,845
Nonsan Factory	Third party-supplied water (water supply, industrial water, etc.)	14,171	14,171
	Underground water	174,015	174,015
	Recycled water	0	0
	Subtotal	188,186	188,186
Gwangju Factory	Third party-supplied water (water supply, industrial water, etc.)	2,628	2,628
	Underground water	166,332	166,332
	Recycled water	0	0
	Subtotal	168,960	168,960
Total	Third party-supplied water (water supply, industrial water, etc.)	270,558	270,558
	Underground water	991,992	991,992
	Recycled water	71,656	71,656
	Subtotal	1,334,206	1,334,206

## Information on Vulnerability to Drought at Production Site

〈National Drought Damage Status during the period 2021-2023〉



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

\* All business sites of Binggrae are not located in areas vulnerable to drought. Binggrae's Gwangju Factory and Gimhae Factory are waging various campaigns on reducing water use.

## Water Resource Risk Identification and Response Strategy

Due to the characteristics of the food industry, Binggrae recognizes the importance of sustainable water resources. Risks and opportunities with regard to water resource management are analyzed, and potential financial impact is identified to establish the response strategy. Especially, increase in water use in the production/manufacturing stage of products and decrease in water resources for use are identified as major risks, and methods for reducing use and performing recycling are considered consistently. Meanwhile, efforts for running a sustainable business are continued by minimizing the environmental impact according to water use.

Classification	Factor	Risk	Opportunity	Financial Impact	Response Strategy
Policy	<ul style="list-style-type: none"> <li>• Tightening domestic &amp; foreign water resource management regulations;</li> <li>• Tightening 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 of environment-friendly corporate image possible.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in cost of responding to regulations (equipment investment related to water &amp; wastewater, etc.);</li> <li>• Increase in operating expenses for complying with tightened 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 of existing equipment, investment in 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 regarding 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 the possibility of decrease in utility/ personnel according to the sophisticated equipment;</li> <li>• Improving corporate image according to the 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>• Tightening pollutant discharge standards.</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease in reputation due to litigation;</li> <li>• Equipment upgrade to meet the standards.</li> </ul>	<ul style="list-style-type: none"> <li>• Improving the 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; setup of response methods through the pre-assessment of legal risks in 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 consumers' satisfaction with use of eco-friendly products and 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 the annual water resource operational strategy by the government;</li> <li>• Adopting water use 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 on financial capability due to decline in corporate image when expectations are not met.</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement of image as an environment-friendly company and sales when expectations are met.</li> </ul>	<ul style="list-style-type: none"> <li>• Possibility of increasing or decreasing 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 eco-friendly capability by publishing the sustainability report;</li> <li>• Review of combined processes/ equipment improvement for reducing long-term costs.</li> </ul>
Regional Supply & Demand Issue	<ul style="list-style-type: none"> <li>• Absolute reduction of water resources.</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>• Innovative technologies and solutions for water management are introduced to improve operation efficiency</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>• Innovative technologies and solutions for water management are introduced to improve operation efficiency</li> </ul>
Abnormal Climate	<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 the 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 the increase in raw material costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Setting up a mid- to long-term environmental response policy;</li> <li>• Development of internal experts for response.</li> </ul>

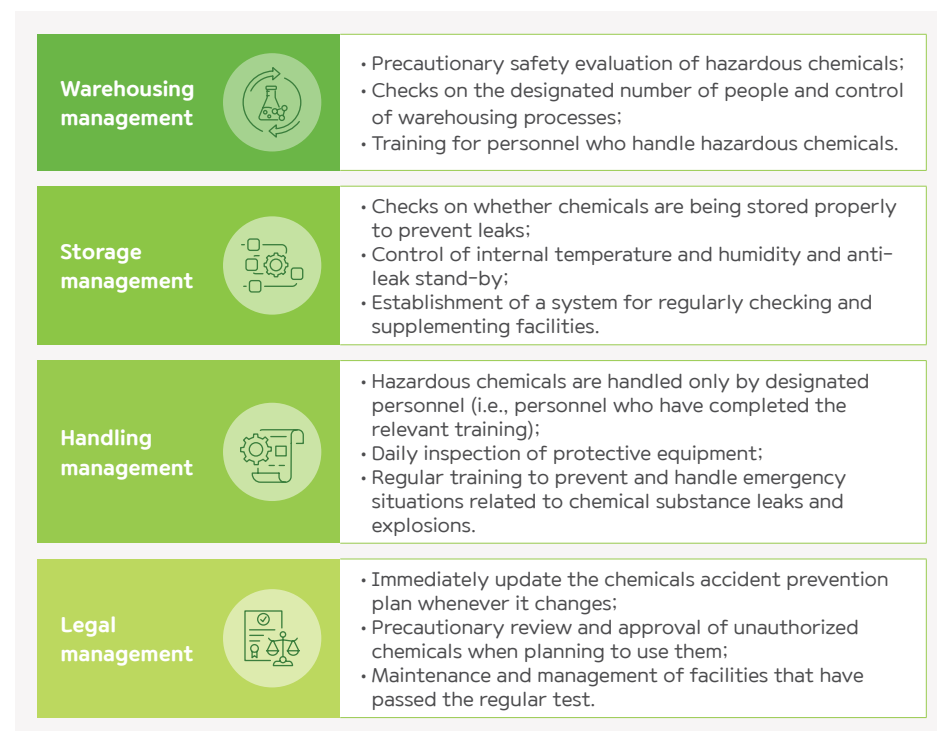


## Management of Hazardous Chemicals

Binggrae is operating the internal harmful substance management regulations it established for managing hazardous chemicals. Harmfulness that can occur in the overall process of manufacture, use, import, and sales of chemicals handled in the business sites is analyzed and managed. Training on handling safety was also conducted to establish a system for immediately responding to any emergencies.

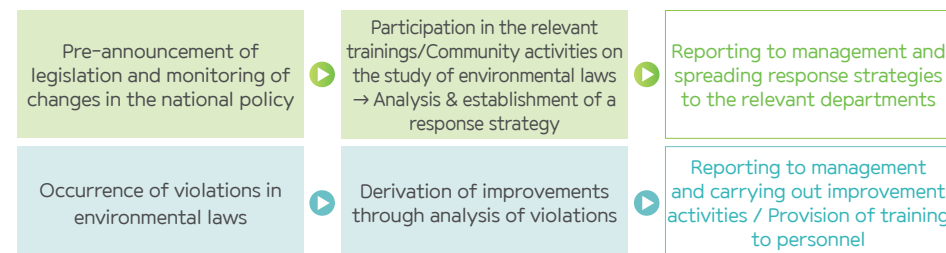
Periodic monitoring is performed such as daily inspection according to handling of chemicals, and the equipment state of the facilities used and handled is checked. As a result, there were no serious accidents involving chemicals in the last 3 years.

### Hazardous Chemicals Management System



## Monitoring and Response to Environmental Laws

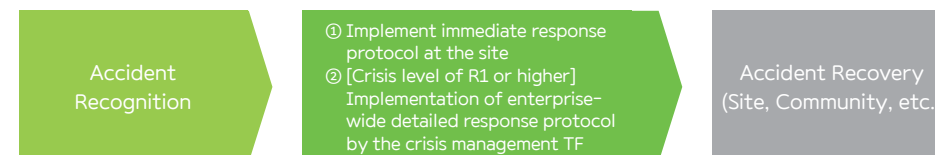
Binggrae monitors the trend of domestic and overseas environmental laws and identifies new laws or regulations quickly. The Environmental Safety Team is responsible for Environmental Laws reviews and response along with the responsible department for each environmental sector from the legislation stage.



## Environmental Accident Prevention and Training

Binggrae conducts emergency response training regularly on chemical leak accidents, and environmental pollution risks are prevented in advance through daily check on the environmental equipment. In addition, a consultative group was organized in the community to establish a network for preventing the pollution damage from spreading.

### Emergency Response Process for Environmental Accidents









### Training in Response to Environmental Accidents



## Biodiversity Preservation Activity

To preserve precious nature and biodiversity, Binggrae identifies the status and habitat of endangered animals and plants living around the business sites and continues efforts to protect them. The impact on the surrounding environment is checked by interacting with the local councils and civic groups, and environmental purification activities are continued around business sites to minimize the impact on biodiversity.

	Namyangju	Gimhae	Gwangju	Nonsan
Endangered Species Class I		Cockscomb pearl mussel; Otter 		Cockscomb pearl mussel; Otter; Longhorn beetle 
Endangered Species Class II	Japanese paradise flycatcher; Lycaenid butterfly; Large violet; Moon night mushroom 	Dendrobium monile	Seoul pond frog; Aconitum koreanum raymond; Long-billed plover 	Chinese sparrowhawk
Endangered Species to be observed	Atypus coreanus 			

## Donation of Trees for the Restoration of Ecological System and Performance of Endangered Seedling Preservation Activity

Since 2020, employees have been participating voluntarily in the annual plogging campaign to collect garbage in urban areas and in nature, with Binggrae donating trees in the name of the employees participating in the campaign to regions requiring reforestation due to the forest fire in Gangwon-do. A total of 85 trees were planted until 2022 to create a forest of approximately 1,400m<sup>2</sup> in the standard of deciduous trees; thus contributing to restoring the forest ecosystem that disappeared due to the forest fire.

In 2023, 20 endangered seedlings were donated to the tree nursery in the names of the employees who participated in the campaign.

### Activities of Employees Participating in the Campaign in 2023



## Environmental Awards

2021	Banana-Flavored Milk's Danji Washing Machine won the 「Presidential Prize of the Korea Broadcast Advertising Corporation, Digital Campaign Sector, 2020 A.N.D. Awards」 (Jan. 2021).
2021	Banana-Flavored Milk Danji Washing Machine won the 「Grand Award in the Food & Beverage Sector, Digital Ad. & Campaign, 2020 A.N.D. Awards」 (Jan. 2021).
2021	A Café La won the 「15th Korea Packaging Technology Chairperson's Award」 (Jun. 2021).
2022	Cup Beverage Packaging won the 「16th Korea Packaging Organization Federation Chairperson's Award」 (Jun. 2022).
2022	A Café La Simply won the 「Main Award at the 2022 Red Dot Awards」 (Aug. 2022).
2023	Together received the 「17th Korea Packaging Technology Chairperson's Prize」 (Apr. 2023)
2023	Received commendation from the Minister of Environment in the 「2023 Contest for Excellent Business in Reducing Disposable Products & Packaging Materials, and Promoting Recycling」 (Sept. 2023)
2023	A Café La Simply received the 「Bronze Award in the Pentawards 2023」 (Nov. 2023)
2023	Received a 「Plaque of Appreciation for being an Excellent Company Practicing Net Zero」 in the 2023 National Competition on Practicing Net Zero (Dec. 2023)



# SHARED VALUE



Employees feel happy and valued at the same time in a corporate culture harmonizing autonomy and responsibility. Likewise, by creating and sharing the value with business partners and providing the best customer value, best efforts are made for realizing shared value for the development of the community.

51 CORPORATE CULTURE / 55 EMPLOYEE TRAINING & HR SYSTEM  
 59 SAFE WORKPLACE / 63 CREATING A PEOPLE-CENTERED ENTERPRISE  
 69 TOP CUSTOMER SATISFACTION COMPANY  
 77 WIN-WIN COOPERATION FOR SUSTAINABLE SUPPLY CHAIN MANAGEMENT  
 81 COMMUNITY INVOLVEMENT

## Major performance results in 2023



**112**  
persons

No. of new employees



Approx. KRW **1,072**  
million

Total amount of support for tuition & early childhood education expenses



**38**  
hours

Education hours per employee



Approx. KRW **430,000**

Average training cost per employee



**127**  
companies

ESG evaluation for the supply chain

## Number and cost of violations for unfair trade practices

LEAK OF CUSTOMERS' PERSONAL INFORMATION  
 (2021-2023)

**“zero”**

NON-COMPLIANCE WITH LAWS AND AUTONOMOUS REGULATIONS RELATED TO MARKETING AND COMMUNICATION  
 (2021-2023)

**“zero”**

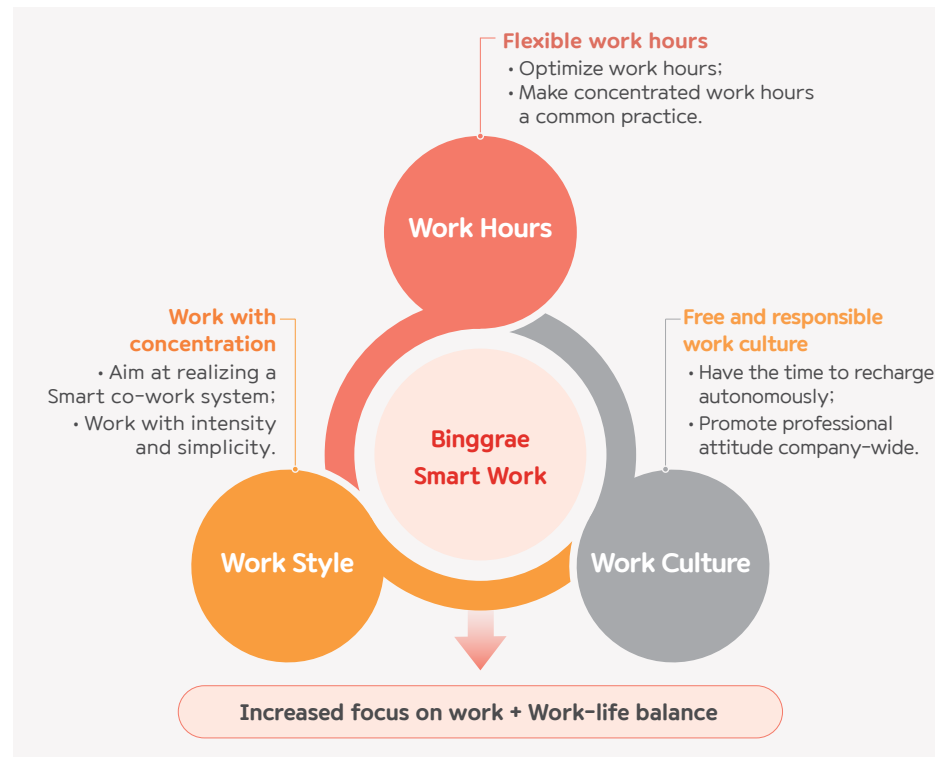


# CORPORATE CULTURE

## Ensuring Autonomy for Work & Life Balance

Binggrae established regulations on the 「Responsibilities of Employees」 in the Code of Ethics Practice Guidelines to institutionalize the principles of respecting employees, treating them fairly, developing talents, creating a safe & healthy working environment, and establishing a culture of free communication. In 2018, Binggrae established the Smart Work System to help employees design work-life balance autonomously, provide a foundation for mutual communication, and utilize the system actively.

### Corporate Culture Activation Strategy for Enhancing the Quality of Life of Employees



### Autonomous Work Hours Led by Employees

Online infrastructure was utilized actively to enable all employees to select a flexible work system in 4-week unit, with the employees able to adjust their commuting time and request annual leave and vacation autonomously at any time.

### “Break Nine System” to Practice Work-life Balance

Work-Life balance is supported by granting additional 8 days' vacation along with the legally guaranteed annual leave through the introduction of the half-day/quarter-day off system and by encouraging the use of vacation for 9 consecutive days, etc.

### Operation of a Family-friendly System and Creation of a Culture of Gender Equality

Binggrae is actively operating and promoting a family-friendly system by establishing the Smart Work System and through the maternity protection system (paternity leave, reduction of work hours during the parenting period and vacation for fertility treatment), etc. As a result, Binggrae was certified as a Family-Friendly Enterprise in 2022 by the Ministry of Gender Equality & Family (Effective Period : Dec. 2022~Nov. 2024), and efforts are continued to activate the system for establishing a family-friendly, gender-equal culture.

### Retired Employee Support Program

Through 2 types of retirement—voluntary retirement and honorary retirement—employees are given free rein in selecting their career. In addition, Binggrae supports employees in planning their second life through the challenge vacation, advanced payment on 1-year college tuition, and support for full medical examination for the retired employee and his/her spouse, etc.

#### BC Outplacement Program

#### Stage 1 | Voluntary Retirement

- Voluntary application
- Applicant review and target selection
- Active support before & after retirement



#### Stage 2 | Early Retirement

- Review on performance of early retirement
- Interview on intention of early retirement
- Institutional arrangements for settlement



Adjustment of online commuting;  
Turning off PCs outside work hours

Promoting immersion in work by waging Smart Meetings & Campaigns, etc.

Using the weekday as a holiday when work during weekend is required





### Welfare & Benefit System for Employees

Binggrae provides various welfare & benefit programs to enable employees to feel happy and valued at work. Work productivity is improved through the relevant programs, with a culture of work-life balance established to enhance the level of satisfaction with life among employees.

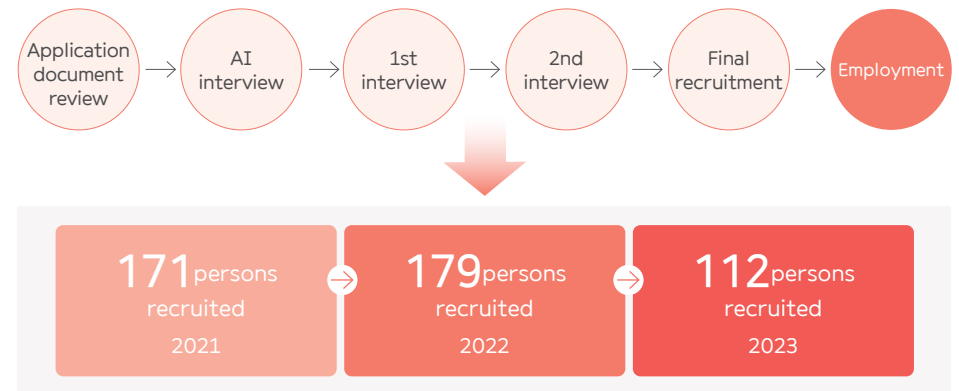
<b>Pay</b>	<ul style="list-style-type: none"> <li>• Performance incentives;</li> <li>• Binggrae sales incentive (Sales);</li> <li>• Lunch money subsidy;</li> <li>• Support for entire fuel cost (Sales);</li> <li>• Support for mobile phone bills (Sales).</li> </ul>	<ul style="list-style-type: none"> <li>• Payment for annual leave;</li> <li>• Benefits for license, qualification, and job position;</li> <li>• Pay for national holidays;</li> <li>• Support for children's educational costs;</li> <li>• Congratulatory and condolatory support.</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Use of major condominiums nationwide;</li> <li>• Group accident insurance;</li> <li>• Company clubs;</li> <li>• Long service award.</li> </ul>	<ul style="list-style-type: none"> <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 workweek;</li> <li>• Four week-based autonomous work system (flexible work hours);</li> <li>• Support for Mobile Office;</li> <li>• Eight days off besides the legal annual leave;</li> <li>• Annual leave, half-day off, quarter-day off;</li> <li>• Congratulatory and condolatory leave;</li> </ul>	<ul style="list-style-type: none"> <li>• "Break Nine" system (Taking 9 days off in a row);</li> <li>• Dormitory operation (factories);</li> <li>• Support for housing welfare for newly appointed employees;</li> <li>• Commuter 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> </ul>	<ul style="list-style-type: none"> <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>

### Expanding Employment and Securing Job Stability

#### Providing Fair Recruitment & Opportunities

Binggrae recruits new employees annually according to its operating plan; in 2023, 112 employees were newly recruited for permanent positions in an effort to increase employment and secure stability.

With regard to recruitment and employment, Binggrae provides equal opportunities to both female and male candidates, and contents suggesting a specific gender in the recruitment are prohibited. Moreover, discrimination in wage, training, arrangement, promotion, retirement age, retirement, dismissal, etc. according to gender is strictly prohibited.



#### Retention of New Employees

To enable new employees to grow into leading entry-level managers, quick adaptation to the organization and improvement of work competency are supported by establishing a network in the company including various programs and trainings.

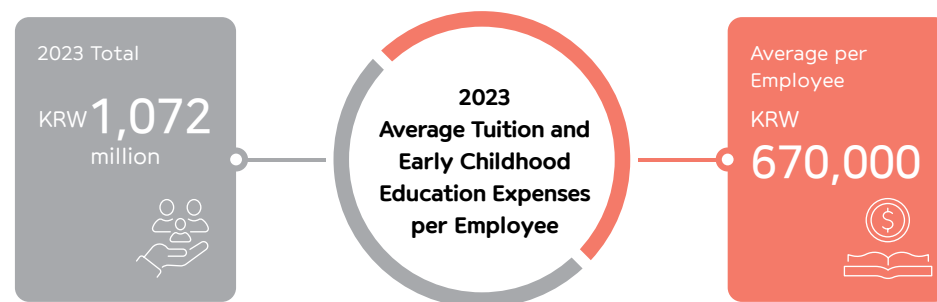
- New employees attend an introductory training course for new employees (4 to 5 weeks);
- Employees receive opportunities to develop their capacity with 5 weeks of OJT (on-the job training) following their assignment to a team;
- A network is established supported between colleagues and seniors & juniors for smooth work performance and commitment to the organization;
- New employees are interviewed regarding 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

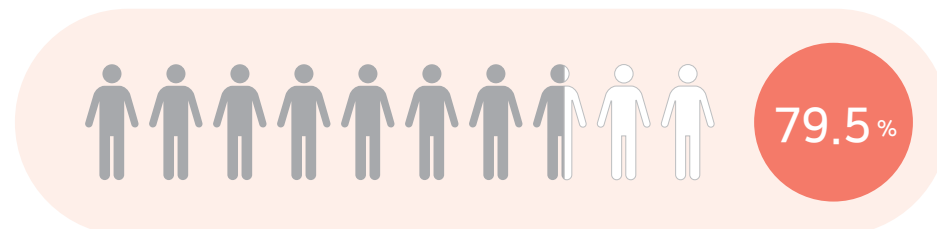
### Average Wage per Employee

Classification	Unit	2021	2022	2023
Male	KRW 1,000	61,551	56,633	63,053
Female		46,335	43,705	49,114
Total		57,635	53,316	59,598

\* Based on the business report



### Ratio of Voluntary Transfers among Retired Employees in 2023 : 79.5%



\* Standard of executives and personnel in permanent positions.

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

### Use of Flexible Work Hours

Classification	Unit	2021	2022	2023
No. of employees who adopted flexible work hours	persons	783	786	779

### Status of Using Maternity Leave & Parental Leave

Classification	Unit	2021	2022	2023
No. of employees who used maternity leave	persons	14	13	9
No. of employees who used childcare leave		26	26	18
No. of employees holding a position for more than 12 months		8	10	15
No. of employees who returned to work after a maternity leave	%	80	77	79
Percentage of employees holding a position for more than 12 months				

\* 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 a 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 a maternity leave for 2021.

\* 79% of employees holding a position for more than 12 months for 2023 = 15 employees holding a position for more than 12 months for 2023 / 19 employees who returned to work after a maternity leave for 2022.



## Promoting Employee Diversity

Binggrae is actively recruiting female employees and increasing the number of female management positions in an effort to foster female leaders in the company. Opportunities are expanded for female employees from the new recruitment process, with the childbirth support policy for female employees and childcare support policy for both male and female employees enhanced gradually. In addition, various methods are explored to maintain the employment of female employees and promote their growth into middle managers and executives.

Classification				Unit	2021	2022	2023
Total status	All employees				1,834	1,816	1,787
	Employment type	Executives		persons	16	16	15
		Permanent			1,601	1,589	1,588
		Temporary			211	211	184
	Gender	Male			1,387	1,371	1,366
		Female			447	445	421
		Female ratio		%	24.3	24.5	23.6
	Employees with disabilities				31	28	28
	Men of national merit				10	7	7
Foreigner				-	-	-	
Group	Executives	Gender	Male	persons	16	16	15
			Female		-	-	-
	Leader Group (L.Group)	Gender	Male	persons	95	99	97
			Female		8	9	11
			Female ratio		%	7.8	8.3
		Age group	Under 30	persons	-	-	-
			30 to 50		90	88	79
			Over 50		13	20	29
		Positions besides L. Group	Gender	Male	persons	1,276	1,256
	Female			439		436	410
	Age group		Under 30	524	481	443	
			30 to 50	970	1,009	987	
			Over 50	221	202	234	

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

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

## Labor-Management Relations and Communication

### 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 partner rather than the subject of negotiation. We endeavor to create a cooperative, win-win culture in labor management-relations. The Labor-Management meeting is held quarterly, and club activities and culture classes are supported to enable the employees to gather for communication and enjoyment of various hobbies. On November 27~29, 2023, the Labor-Management Hanmaum Workshop was held to provide labor and management with an opportunity to communicate freely and unite.



2023 Nonsan Branch Tripartite Business Agreement

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

Classification	2021	2022	2023
No. of Labor-Management Meetings	4	4	4
Agenda Processing Rate	100%	100%	100%

### Freedom of Association and 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 the union. Compared to the number of employees (570) eligible to join the union, the current union membership rate is 100% (as of Dec. 2022).

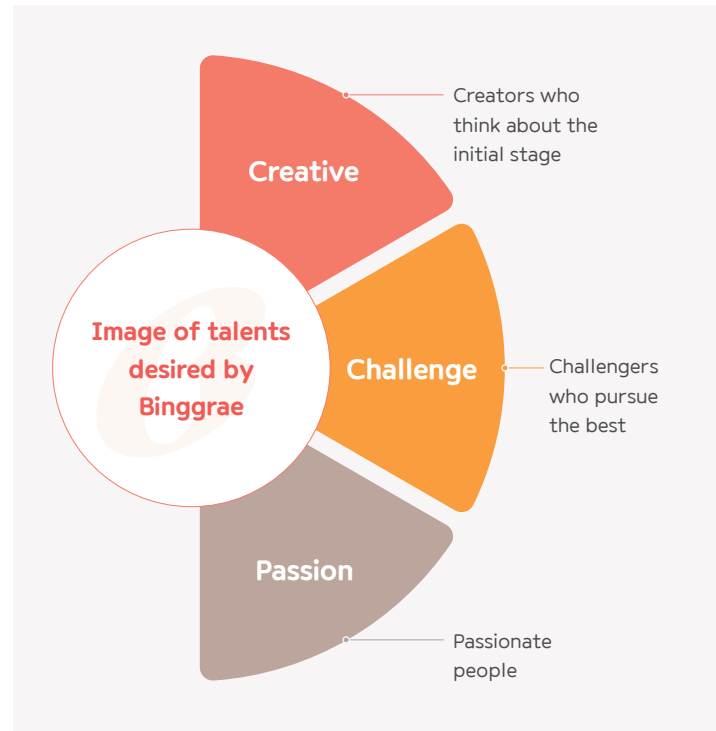
Classification	Unit	2020	2021	2023
No. of members eligible to join the labor union	persons	598	577	570
No. of members subscribed to the labor union	persons	598	577	570
Labor union subscription rate	%	100	100	100

# EMPLOYEE TRAINING & 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 who 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 operating diverse human resources development programs.



### Human Resources Development Programs

Binggrae's Human Resources Development Team is exclusively in charge of developing the company's 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 required by employees in order to perform their duties.

In 2023, face-to-face offline training was resumed, and improvement of production technology & expertise in team unit, strengthening of leadership, onboarding of new talents, development of future talents (MBA, etc.) and spread of culture of autonomous self-directed learning, etc. were promoted.

#### Courses for training new recruits



Based on systematic programs such as professional knowledge training through internal & external outstanding instructors, worksite experience and teamwork activities, etc., competitive Binggrae employees with basic qualities and business sense are developed.

#### Courses for job experts



Along with systematic job training, various contents and learning methods such as external special training, book learning, seminar, study group, academic journal and case study, etc. are provided to support employees' growth into experts in each field.

#### MBA·Doctoral Course



The pursuit of domestic and overseas MBA and doctoral courses for learning the latest trends and management theories and establishment of network with managers from various fields are supported to grow professional managers leading the future change of Binggrae.

- MBA : 3 employees admitted in 2023 (total of 17 employees)
- R&D Doctoral Course : 1 employee currently studying (total of 3 employees)

#### Global Business Education and Overseas Studies



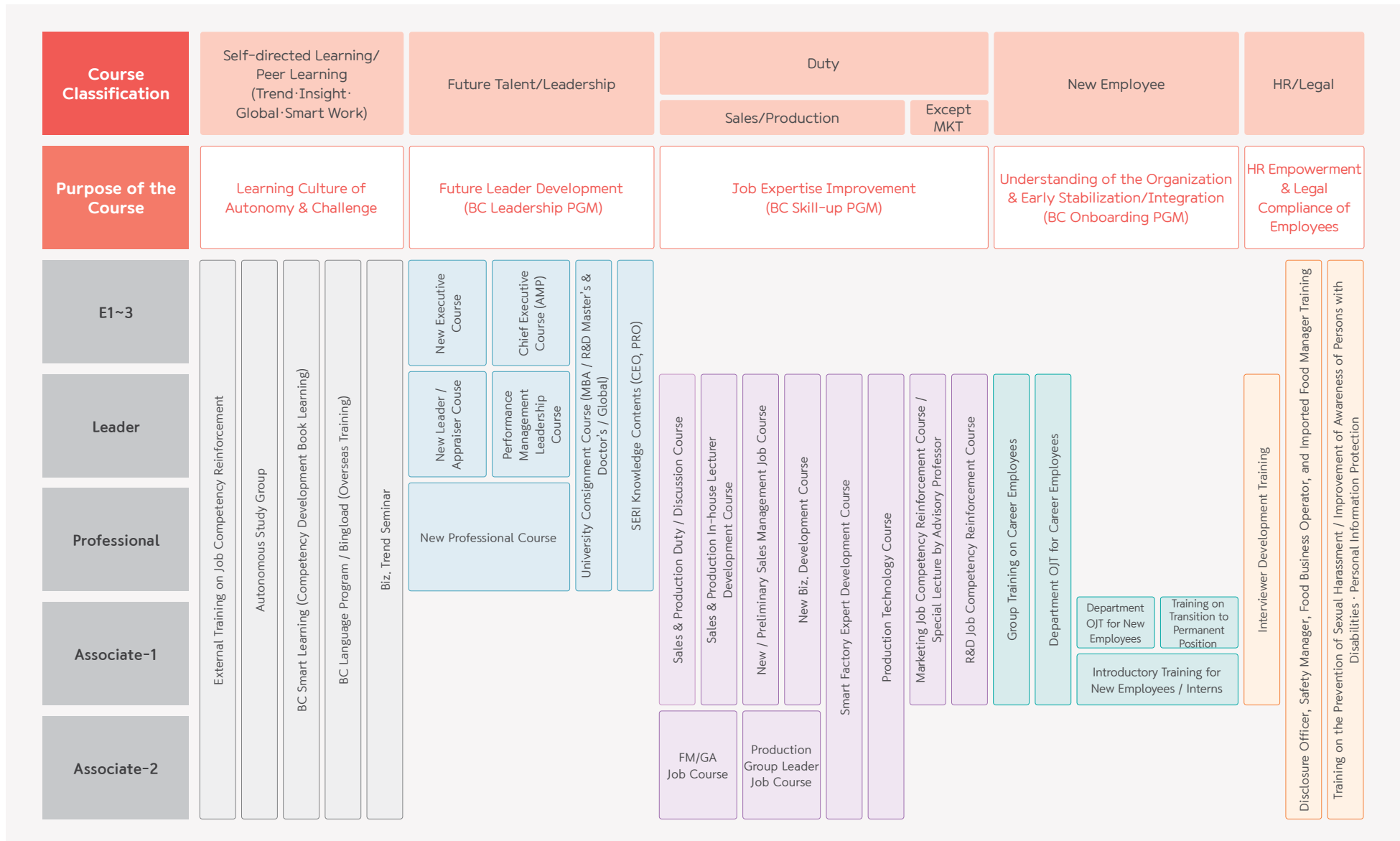
To develop global talents with an international mindset in keeping with the growth of overseas markets, Binggrae provides its officers and employees with overseas business education as well as language training, education specialized according to country, and overseas seminars.

#### Self-directed learning and peer learning



Through fun and dynamic programs such as external special training, language & book study and SERI, etc., an organizational culture of autonomy and challenge in enhancing expertise through self-oriented study including synergistic effect with colleagues is fostered.

## BC Talent Development System





## Performance of HR Development

### Education Status

Classification		Unit	2021	2022	2023
Total no. of employees who received education		persons	5,420	5,268	4,777
Education hours	Total	hours	84,593	74,324	61,346
	Per person	hours	52.8	46.3	38.3

\* Total number of educated employees :  $\sum$  (number of persons who participated in individual education courses)

\*\* Total education hours :  $\sum$  (education hours of individual courses x number of educated employees)

\*\*\* Education hours per person =  $\sum$  (education hours of individual courses x number of educated employees) / total number of officers and regular employees)

Classification		Unit	2021	2022	2023
Total no. of employees		persons	1,601	1,605	1,603
Education expenditure	Total	KRW 1,000	644,887	673,553	692,453
	Per person	KRW 1,000	403	420	432

\* Total education expenditure: Particulars of accounting-based expenditure on enterprise-wide education (Excluding refunds or reimbursements by the Ministry of Labor or Employment).

\*\* 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. Aside from promoting horizontal communication, we have established a corporate culture centered on autonomy and responsibility based on such 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 and propose and implement ideas for improving processes.

## Fair Evaluation and Compensation

We operate the performance-based compensation system we have developed based on the results of each employee's individual performance evaluation. In particular, the results of the performance evaluation are reflected to the 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. We also apply gender equality to all of our HR management systems, including compensation and evaluation systems and pay structure.

## Ensuring Fairness of the Evaluation Result

To secure fairness in evaluations, Bingrae holds the evaluation deliberation committee meeting every December and operates the evaluation result appeal system for ensuring the acceptability of the evaluation.

In addition, a fair evaluation survey is conducted among employees regularly to listen to opinions on the efficiency of evaluation and any improvements.

## Appeal Process



## Fair Evaluation Survey

• Survey Period : Annually	1	Competency Diagnosis
• Survey Target : Employees	2	Fairness
• Survey Questions : Total of 7 questions	3	Fact-Based
• Utilization of Results	4	Constant Feedback
– Feedback is provided through appraiser training before the year-end periodic evaluation	5	Interview Time
– Cumulative survey data is utilized as reference data for future appraiser training and personnel appointments of the employee in position	6	Listening to Opinions
	7	Evaluation Acceptability

## Employee Compensation System

### → Annual Pay System

As the performance-based compensation system enabling employees with high performance to receive high compensation, it is a system that differentially applies the annual pay increase rate by reflecting the personal ratings, etc. of the previous year comprehensively to the standard increase rate considering the external wage competitiveness and management performance for the previous year, etc.

### → Salary Point

#### Salary Point

It is a system that provides an opportunity for additional increase in annual pay by a fixed period to enable immersion in work and creation of performance during the period of continuous service without promotion after entering the P Group.

### → 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 excellent performance as 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 the 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 employees belonging to overseas sales departments. It is designed to pay differentiated incentives based on performance versus challenging goals by country in order to induce the steady growth of global markets.

### → Project Incentive

#### Project Incentive

It is a compensation system specialized for workers belonging to the research center in order to motivate them to implement 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 bonus is paid based on divisional and individual performances, with the eligibility and rates determined depending on the overall performance of the company.

# SAFE WORKPLACE

## Health and Safety

We uphold the health and safety of our employees and customers at all business sites as our top-priority value and actively operate autonomous health and safety programs to that end. We have defined the standards for all of 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. At the beginning of each year, the annual safety & health strategy and implementation plan for the relevant year are approved by the Board of Directors (BoD). 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 business management activities as a top-priority value. We do our best to prevent safety accidents and occupational diseases among employees and customers.

1. Establish a safety and health management system to realize a safe and healthy workplace.
2. Discovers harmful and risk factors in advance and continuously improves them.
3. Continuous improvement shall be made by hearing opinions on the safety and health of workers.
4. Safety and health awareness is steadily improved through safety and health education.
5. Complies with the standards and regulations in accordance with the relevant laws and regulations on safety and health.
6. Establish countermeasures for accidents and conduct periodic training.

Director of General Safety Choi Kang-hoon

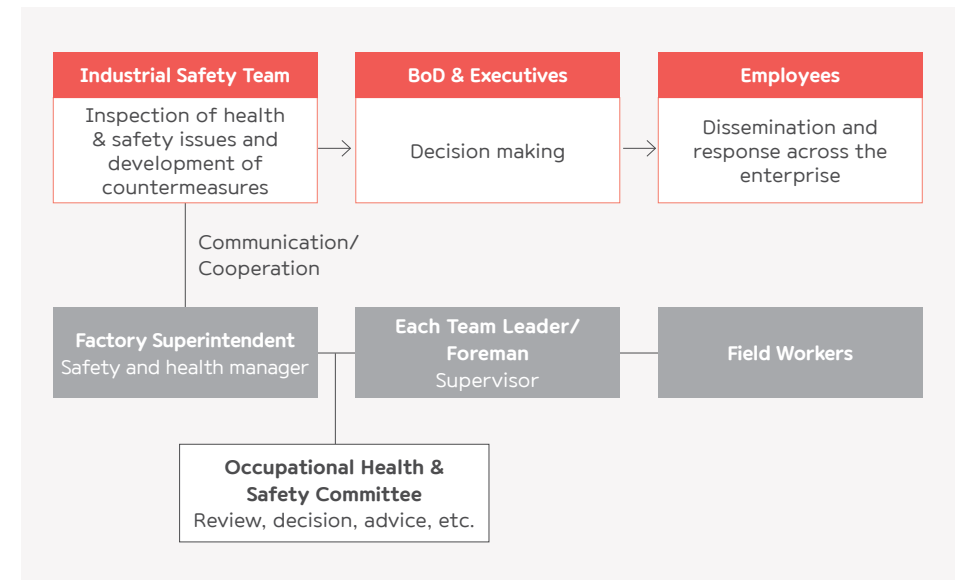



## Safety and Health Management Structure

Safety and health are the responsibility of the Industrial Safety Team affiliated with the General Safety Department, and are managed through the safety & health organization and manpower for each sector.

The Industrial Safety Team performs the work of establishing and managing the safety & health management system for each year, and 4 factories included in the production sector conduct a risk assessment and occupational safety & health committee, a partner council, etc. to listen to the opinions of the workers.

In addition, Binggrae is exerting its best efforts for workplace safety and employee health by conducting various trainings and campaign activities related to safety & health, and making preemptive response through periodic/non-periodic safety inspection.



## Mid- to Long-term Objectives and Strategies for Safety and Health Management

Serious accident is a high-risk factor that not only can cause defamation but is also directly connected to survival. Accordingly, efforts are made by Binggrae for a zero-accident workplace based on the global standard. To practice zero-accident, the stabilization of the occupational safety & health management system is pursued until 2025, and the occupational safety & health management system will be sophisticated.

Until 2027, a strategy for sophisticating the risk management system was established to improve the risk factors by identifying the safety & health risks, including the stakeholders vulnerable to safety & health risks that can arise from business activities such as employees, customers, partners, community, etc. to prevent safety-related issues from occurring. With the goal of reducing the industrial disaster rate to less than 0.13% until 2030, autonomous safety & health management will be reinforced, with an integrated safety & health management system to be established and operated to advance as a company focusing on safety & health as a top-priority value.

Vision of Safety & Health Management	Corporate Activities Prioritizing Safety & Health		
2030 Goal	Prevention of Safety Accidents and Occupational Diseases Among Employees & Customers (Achieve industrial disaster rate of less than 0.13% until 2030)		
2030 Goal Achievement Strategy	Short-term (until 2025)	Mid-term (until 2027)	Long-term (until 2030)
	<ul style="list-style-type: none"> <li>• Stabilizing 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; guidelines;</li> <li>- Management of compliance rate with regard to laws related to safety &amp; health;</li> <li>- Maintenance of ISO 45001 Certification through external audits.</li> </ul> </li> <li>• Identifying Safety &amp; Health Risk Factors in 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; semiannual reassessment (including 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; implementing management measures at business sites;</li> <li>- Performance &amp; response to the safety &amp; health capability evaluations of business partners residing or conducting business at Binggrae business sites (on a semiannual basis);</li> <li>- Performance &amp; response to mandatory safety &amp; health capability evaluation on the main partners (on an annual 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>
Safety/Health Stakeholders	Employees, Customers, Partners, Local society		

## Enhancement of Business Site Safety and Efforts to Prevent Accidents

### Safety Education

We periodically operate accident prevention training and education programs for our officers and employees at all business sites. The programs are divided into statutory education and internal education, with the former covering the government's duties concerning safety education and the latter consisting of in-depth safety education by industry and covering the types of accidents that frequently occur.

In 2023, a total of 33,780 hours of training were provided to 16,167 trainees, and opinions on the training were collected from the participants upon completion to reflect the results to the plan for the following year.

#### Results of Health & Safety education, 2023

- **No. of times** : Once or several times per month.
- **Contents** : Periodic safety education, special safety education, education at the time of recruitment, etc.
- **Results** : Total no. of education hours : 33,780 hours / Total no. of recipients of education : 16,167 employees

### Safety & Health Management System (ISO 45001) Certification

Binggrae acquired the Safety & Health Management System (ISO 45001) Certification for operations based on the management policy of prioritizing safety and health as a high value. Various risks that can arise in the business sites are predicted and prevented in advance through the ISO 45001 Certification, with a healthy and safe working environment to be created to manage the occupational safety & health of the organization systematically.



- Approval Date of Certification : February 28, 2023
- Effective Date of Certification : February 27, 2026
- Scope of Certified Business Sites :
  - 1) Head Office
  - 2) Namyangju Factory and Food Research Institute
  - 3) Gimhae Factory
  - 4) Gwangju Factory
  - 5) Nonsan Factory

## Support for Employees' Health and Safety

Binggrae is continuing efforts by investing in safety & health to enable the employees to work healthily and safely. To prevent safety accidents, various educations and trainings are carried out annually throughout the entire company such as emergency response safety training (5 times or more), CPR training for employees, etc. In addition, all employees are supported with medical examination (general and comprehensive medical examinations 2 times a year) and investigation on the harmful factors to the musculoskeletal system and stress management, with medical examination offered for the spouse at a certain age or higher (performed every 2 years) to continue efforts related to the healthcare of employees and their families.

	Classification	Unit	2021	2022	2023
Safety & Health Investment Performance	Safety Improvement (Prevention of Safety Accidents)	KRW 1 mil.	1,008	1,034	1,006
	Legal Supplementation (Legal Compliance & Response to Inspections)		377	352	945
	Operating Expenses (Workers' compensation insurance premium, protective equipment, etc.)		1,529	1,334	1,454
	Total		2,915	2,720	3,405

## Industrial Accident Rate

Binggrae is disclosing the industrial accident rate of not only its employees but also the workers of partners working in the production sites. The priority of stakeholders vulnerable to safety & health will not be limited to the employees; instead, the safety & health of various stakeholders of the organization will also be considered.

	Classification	Unit	2021	2022	2023
Employees	Rate of occupational fatalities/injuries	No. of victims compared to the no. of full-time workers (%)	0.22	0.21	0.25
	Lost time injury frequency rates (LTIFR)	No. of work days lost per 1 million work hours	0.86	1.30	1.75
Partners	Rate of occupational fatalities/injuries	No. of victims compared to No. of full-time workers (%)	0.00	1.18	0.51

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



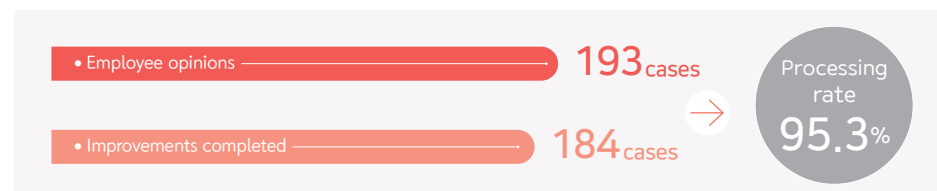
## Partner Safety/Health Evaluation & Management

Binggrae is requesting partners to establish safety & health principles through the Code of Conduct for Binggrae Partners to comply with the relevant principles. In addition, Binggrae listens to the safety & health opinions of employees through the “Partner Council in the Production Sector” held twice a year and the “Binggrae Procurement Portal” website and “Periodic Meeting with the Partners in the Purchase Sector” operated regularly.

### Code of Conduct in the “Safety/Health Field” for Binggrae Partners

- |   |  |
|---|--|
| <p>① Industry and Workplace Safety Management Responsibility</p> <ul style="list-style-type: none"> <li>- Prevention of industrial accidents/occupational disease</li> <li>- Preventive training &amp; education of executives and employees</li> <li>- Preparation of emergency exit &amp; protective equipment for preventing safety accidents, etc.</li> </ul> | <p>② Establishment of system in preparation for emergencies</p> <p>③ Workplace Hygiene Management Responsibility</p> <ul style="list-style-type: none"> <li>- Production facility, sanitary facility, drinking water, meals &amp; ventilation, etc.</li> </ul> |
|---|--|

## Partner Safety/Health-Related Opinions & Grievance Settlement Status in 2023



\* 9 opinions for which improvement has not been completed are mid- to long-term improvement tasks whose immediate settlement is difficult.

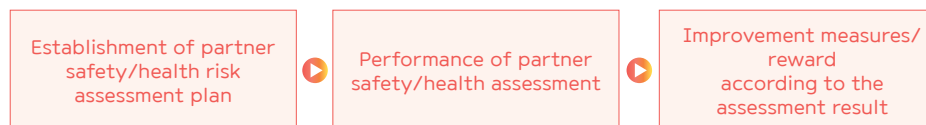
## Self-Assessment of Partner Safety/Health Sector

Binggrae periodically evaluates the safety & health risks of partners through the “ESG Self-Assessment Checklist” system operated as part of the supply chain management; through this, the safety & health risk issues of partners are managed systematically.

As a result of the evaluation, outstanding partners are rewarded at the end of each year. Partners discovered with high-risk items are classified separately and recommended for improvement, and improvements are checked after a fixed period to perform the evaluation on the effectiveness of improvement.

If necessary, Binggrae’s internal experts provide training support. Partners that show no potential for improving serious risk factors or where safety accidents have occurred will have their contract qualifications restricted.

## Safety/Health Assessment Process for the Main Partners Residing in the Binggrae Business Sites



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

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

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

Classification	Unit	2021	2022	2023
Reply on the ESG Self-Assessment safety & health checklist	companies	46	92	127
Additional points applied in evaluation based on ESG-related certifications acquired*	companies	15	8	37

\* ESG-related certification : ISO 14001, ISO 9001, ISO 45001, ISO 37301, Green Technology, CCM Certification, etc.

# CREATING A PEOPLE-CENTERED ENTERPRISE

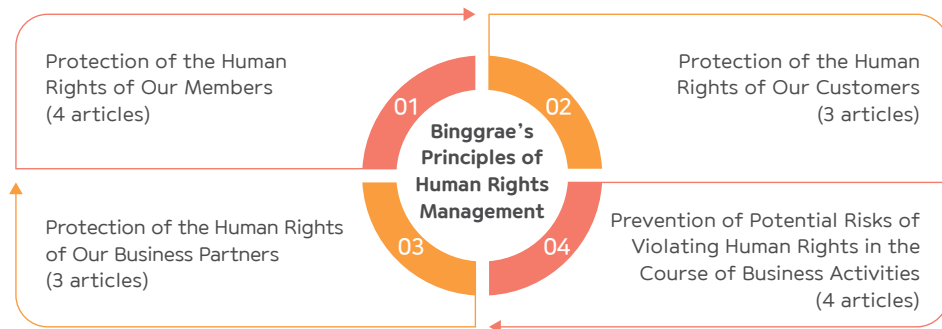
## Protection of and Respect for Human Rights

On October 9, 2021, Binggrae established the Declaration of Human Rights Management based on international guidelines such as the UN Charter of Human Rights and UNGPs (UN Guiding Principles on Business & Human Rights), etc. (Approved by the CEO) Through this, human rights of various stakeholders surrounding the organization are respected and protected, and actual·potential human rights risks that can arise from corporate activities are checked periodically. Binggrae will continue to take the lead in establishing a human rights-friendly organizational culture.

### System for Controlling Human Rights Management

We recognize human rights as the most important universal value of humanity and also understand that they must be realized in our management activities.

In addition, Binggrae established the regulation for practicing respect for human rights through the principles of human rights management (4 general principles, 14 detailed principles) as well as the system for controlling human rights management by operating the human rights guideline, organization responsible for human rights management, Human Rights Complaint Center, etc.



\* 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))

### Declaration of Human Rights Management by Binggrae Co., Ltd.

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

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

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

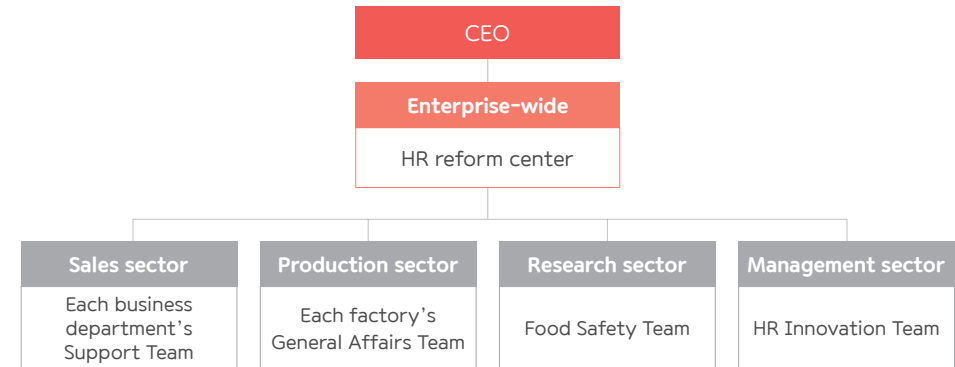


## Human Rights Guidelines

Binggrae supports and complies with international standards and laws on human rights and labor such as the UN Universal Declaration of Human Rights, UNGPs (UN Guiding Principles on Business & Human Rights), and Fundamental Conventions in the International Labour Organization (ILO). Accordingly, guidelines were provided on issues related to human rights as shown below such as respect for human rights, prohibition of discrimination, freedom of association, prohibition of forced labor, prohibition of child labor, work hours, wages and occupational safety, etc. Binggrae will establish a cooperative system for each organizational sector centering on the Talent Innovation Center responsible for human rights to continue the efforts for activating human rights management.

<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 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 due to their labor union membership or activities.
<b>Prohibition of forced labor</b>		We neither force employees to work against their free will by imposing unreasonable physical and mental restraints on them, nor demand that they hand over their ID and other personal documents.
<b>Prohibition of child labor</b>		We do not hire children under the age of 15; when hiring youth under the age of 18, we exclude them from dangerous and harmful work.
<b>Work hours</b>		We comply with the labor laws on regular/overtime hours of each country and region where we operate.
<b>Wages</b>		We pay our employees' wages exceeding the minimum level set by the labor-related laws of each country and region where we operate.
<b>Occupational safety</b>		We are dedicated to creating a pleasant work environment and preventing safety-related accidents.

## Human Rights Management Team

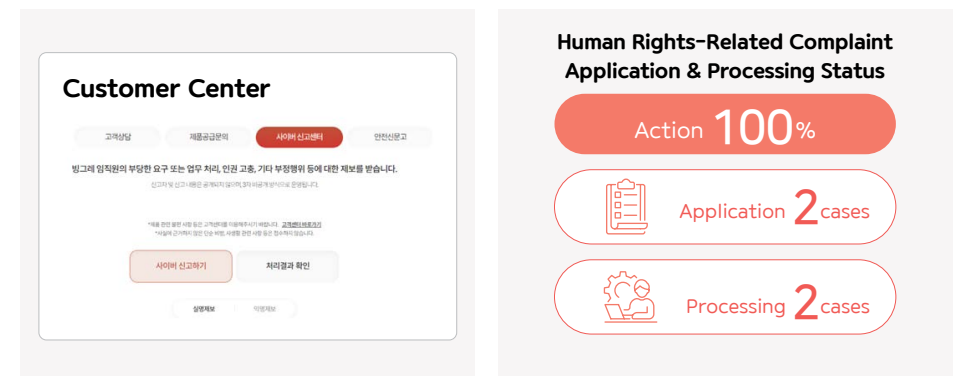


- Role : Establishment and implementation of basic plan on human rights management, training on human rights and performance of human rights impact assessment
- Person in Charge : Staff performing the relevant work for each responsible department in the sector

## Operation of “Cyber Report Center”




For grievances regarding human rights, Binggrae is operating the “Cyber Report Center” in the official website that can be accessed by anyone. There were 2 reports on infringement of human rights related to workplace bullying. Consultation was carried out for both reports to take the necessary actions.

- Binggrae website → Customer Center → Cyber Report Center



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

Binggrae's vision of human rights management is to perform the human rights impact assessment annually on the main business sites for the goal of "establishing a sustainable human rights safety network" based on the mid- to long-term strategy until 2030 as shown below to realize a person-centered enterprise that enables everyone to smile like "Binggrae."

Vision of Human Rights Management	Realization of People-Oriented Enterprise That Enables Everyone to Smile like "Binggrae"		
2030 Goal	Establishment of Sustainable Human Rights Safety Network		Performance of Human Rights Impact Assessment on Main Business Sites (Head Office, Factory)
2030 Goal Achievement Strategy	[Systematization of Human Rights Management] in 2022	[Activation of Human Rights Management] until 2025	[Stabilization of Human Rights Management] until 2030
	<ul style="list-style-type: none"> <li>• Establishing a human rights management promotion system;</li> <li>• Declaring and announcing human rights management;</li> <li>• Performing human rights impact assessment;</li> <li>• Providing relief procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• Expanding the application of human rights impact assessment;</li> <li>• Enhancing the accessibility of external report channels related to human rights;</li> <li>• Establishing and building consensus on the culture of respect for human rights.</li> </ul>	<ul style="list-style-type: none"> <li>• Advanced prevention-centered human rights risk management;</li> <li>• Improving the human rights management system and creating a 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. In addition, sexual harassment grievance counselors were designated for each team in the head office and for each business site to continue the efforts for receiving the sexual harassment damage report throughout the company, and to carry out consultation on damages for taking protective measures on the victim.

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.



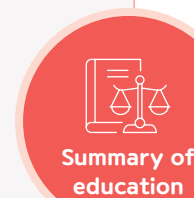
### Prohibition and Prevention of Bullying in the Workplace

Workplace bullying generally involves mistreatment of employees by executives and other employees physically or mentally by abusing their job position or relationship beyond the appropriate scope of work, thereby poisoning an employee's work environment. Both our employees and those of our partners are strictly prohibited from engaging in workplace bullying.

Management and labor collaboratively check and prevent workplace bullying through organizations such as the labor union and joint labor-management conference.



## Education on Human Rights in 2023



- **Target** : All employees
- **No. of education sessions** : Once a year
- **Method** : Individual education for each business site
- **Contents** : Prohibition of workplace bullying and sexual harassment
- **No. of attendees** : 1,710 employees



### Review of the 2023 education results and future plan

All employees received human rights education in 2023, with the constant encouragement of the company and 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.

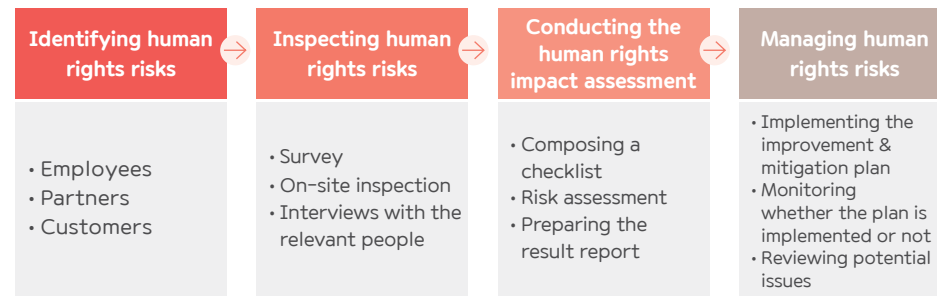
Binggrae will continue to provide appropriate human rights education for each business site to take the best course of action in enabling all employees to respect human rights, and to create a working environment that is safe from physical threats.



## Human Rights Impact Assessment

### Procedure of Human Rights Impact Assessment

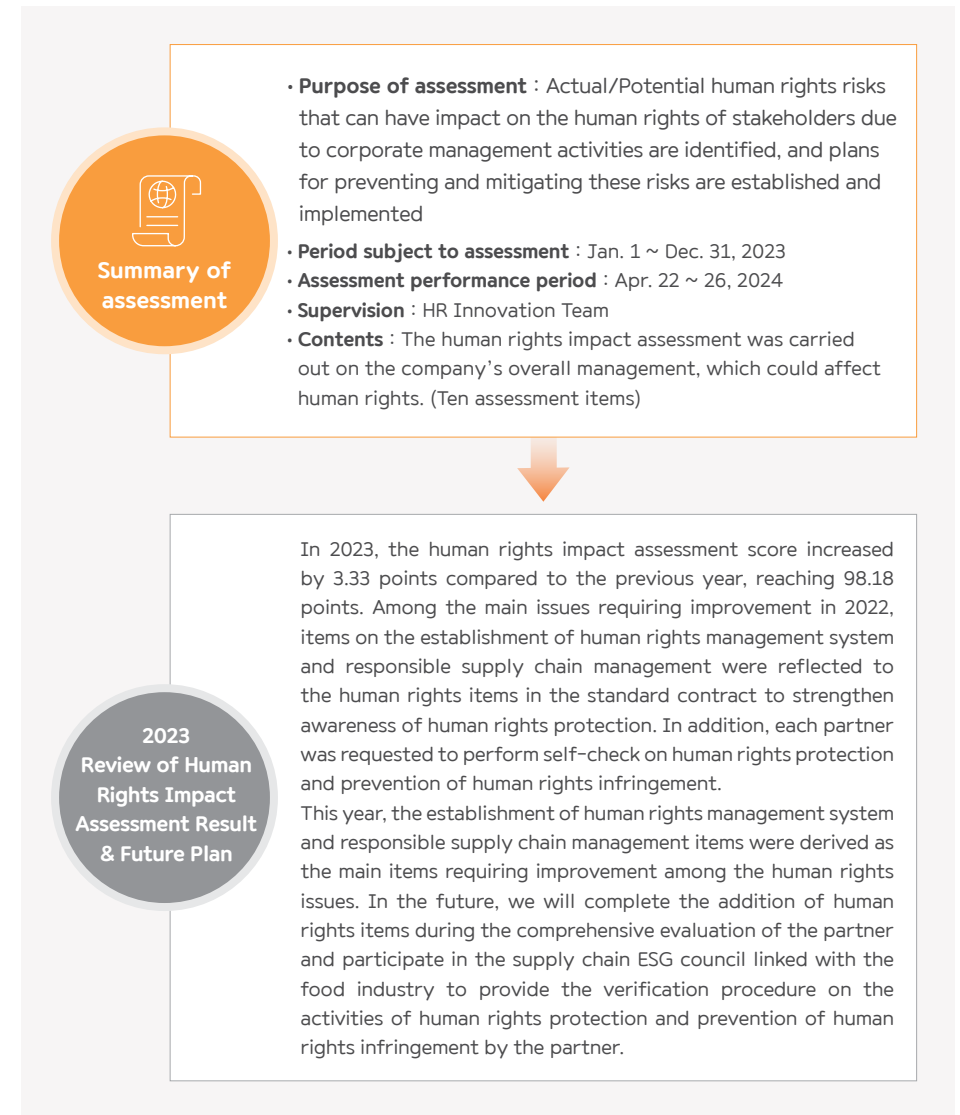
Since 2020, we have conducted the human rights impact assessment based on the following process:



### Items of Human Rights Impact Assessment (5-point Likert Scale)

Item	Percentage	Item	Percentage
① Establishment of human rights management system	15%	⑥ Guarantee of industrial safety	15%
② Non-discrimination 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 Securing environmental rights	10%
⑤ Prohibition of child labor	5%	⑩ Protection of customers' human rights	10%
Total	100%		

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



## Human Rights Management System Performance

### Status of Human Rights Education

Classification	Unit	2021	2022	2023
No. of employees who attended education	persons	1,700	1,613	1,710
Hours of education per person	hours	2	3	2

\* Education on human rights : Prohibition of workplace bullying and sexual harassment, improvement of awareness of persons with disabilities, etc.

### Status of Business Sites with Freedom of Association and Collective Bargaining and Risks of Child Labor, Forced Labor

Classification	Unit	2021	2022	2023
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			

### Status of Violations of Rights of Local Residents

Classification	Unit	2021	2022	2023
No. of violations of local residents' human rights		0	0	0
No. of actions (settlements) on infringement of local residents' human rights	cases	0	0	0

### Status of Discrimination Incidents Discovered

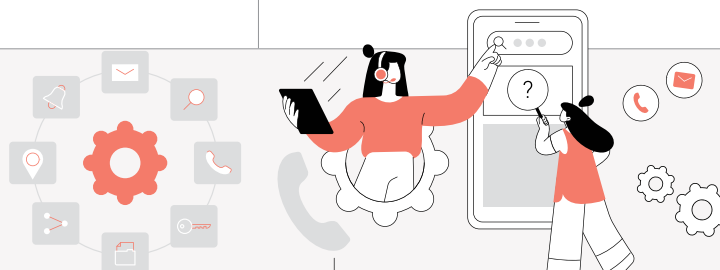
Classification	Unit	2021	2022	2023
Discrimination incidents	cases	0	0	0



# TOP CUSTOMER SATISFACTION COMPANY

## Maximization of Customer Satisfaction

To maximize customer satisfaction, we strive to enhance communication with our customers, deploy quality management infrastructure, and develop and launch customized products for customers' health based on our philosophy of providing the best values to customers, pursuing the very highest standard of quality, and promoting customer-oriented business management. As a food company presenting more than customer satisfaction, Binggrae will set customer safety and health as the top-priority value and become a company that is loved and trusted continuously by the customers.

Business mission	Binggrae, brightly smiling messengers sharing health and happiness		
Principle of customer satisfaction	<b>Challenging innovation</b> Offering customers the best value	<b>Health and happiness</b> Pursuit of the highest quality	<b>Integrity and trust</b> Customer-centered management
Customer Satisfaction/Protection of Rights Vision	Company prioritizing customer safety & health with high value, and building affinity and trust continuously with customers		
2030 Goal	The provision of information is strengthened to enhance the health and benefits of customers and prevention of consumer complaint factors in advance		
2030 Goal Achievement Strategy	Increase of Information Provided and Improvement of Convenience  • Improving methods on providing information to enable customers to verify information more conveniently. - Operating a smart label demonstration project; - Providing infographics, etc. on the privacy policy	Improvement of Product & Service Quality  • Maintaining validation on domestic & foreign certifications (HACCP, ISO 9001, FSSC 22000, ISO 14001, etc.), securing certifications; • Developing healthy products such as low-calorie & low-salt food, R&D activities on raw material use.	Expansion of Customer Communication Channel  • Carry out consumer communication through various channels such as official website, blog, Facebook, Instagram & YouTube, etc.; • Education of executives and employees to strengthen expertise in customer communication.
			

## Binggrae's Ethical Management Policy for Customers

### Responsibilities to Customers

Trust built with customers must be emphasized based on strong 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 promises to customers must be honored.
- Information that the customers must know or which must be informed of shall be disclosed actively.
- Customer information shall be neither released without the consent of the customer nor used for purposes other than those authorized.

#### 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 carefully heard at all times, and the genuine needs of customers are always considered right; customer satisfaction shall be prioritized at a high standard for all judgments and actions.
- To enable customers to submit complaints or proposals conveniently at any time, various communication channels must be secured and opened, and reasonable demands of customers must be dealt with quickly and accurately.
- In case of conflict of interests between the customer and the company, the customer's position must be considered first for judgment.

#### 3. Protection of customers' information

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

CEO Jeon Chang-won

## 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, development and production of products, and sales and marketing. The system contributes to customer satisfaction and our development by producing consistently superior products, with the Quality Management Committee maintaining all production processes in a reasonable manner.



## Active Two-way Communication with Customers

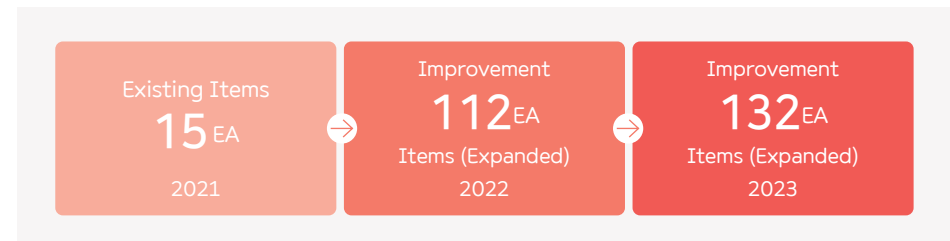
### Customer-participatory Campaigns and Marketing

We stage eco-friendly campaigns where customers can participate, reflecting their growing interest in eco-friendly consumption. In 2023, MOUs were signed with 11 agencies including the Ministry of Environment for spreading the culture of practicing resource circulation, and campaigns for contributing to spreading the culture of practicing resource circulation in the university campus (Binggrae "Summer Crush" applied with eco-friendly packaging is given when performing separate recycling of wastes in the school festival event place), installing the Zero-Waste Booth in Hangang Park, and promoting the use of tumblers in the company were waged.

### Convenient Customer Service through "Easier Interface Development"

For the convenience of customers, the FAQ Chatbot System we introduced is operating continuously to enable the main questions among customer inquiries to be checked 24 hours regardless of the consultation hours.

In addition, the official website was renewed in 2022 to increase the FAQ items so that customers can get answers to their inquiries more quickly. First, the FAQs (Frequently Asked Questions) of the customers were classified into groups for each product, and the best questions were gathered to enable the customers to find the solution quickly. As of 2023, FAQ items are being increased additionally to respond quickly to customer inquiries.



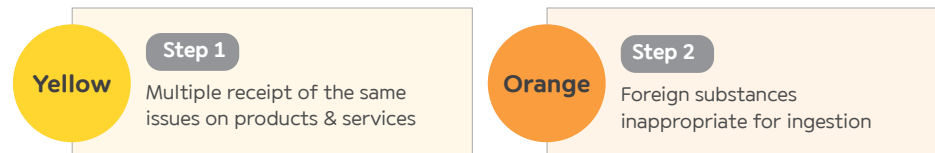
## Receipt of Customer Complaints and Corrective Action

We listen to our customers' fresh voices via diverse channels including our website, SNS, and wired systems with the aim of minimizing customer complaints and preventing their recurrence. Opinions received are classified by type to be answered and handled by providing the improvement plan, and through information disclosure. (100% response handling rate) We reflect our customers' opinions to the development of our products and improvement of manufacturing process by sharing the data collected from them with the departments concerned in the form of daily reports. The VOC status report is provided periodically to the management and utilized as data for improvement. In addition, customers providing their thoughtful opinions are presented with gift sets in appreciation for their VOCs. Binggrae is continuing efforts to impress customers beyond simple customer satisfaction.

## Prevention of Consumer Complaints

To respond quickly to consumer issues, the important VOC alert system was introduced. Major issues are indicated in colors through the VOC Daily Report according to the alert standard, and issues with possibility of risks expanding are quickly shared together with the details to enhance the responsiveness in the early stage.

## Alert Standard Setting



## Monitoring of Claim Handling Status

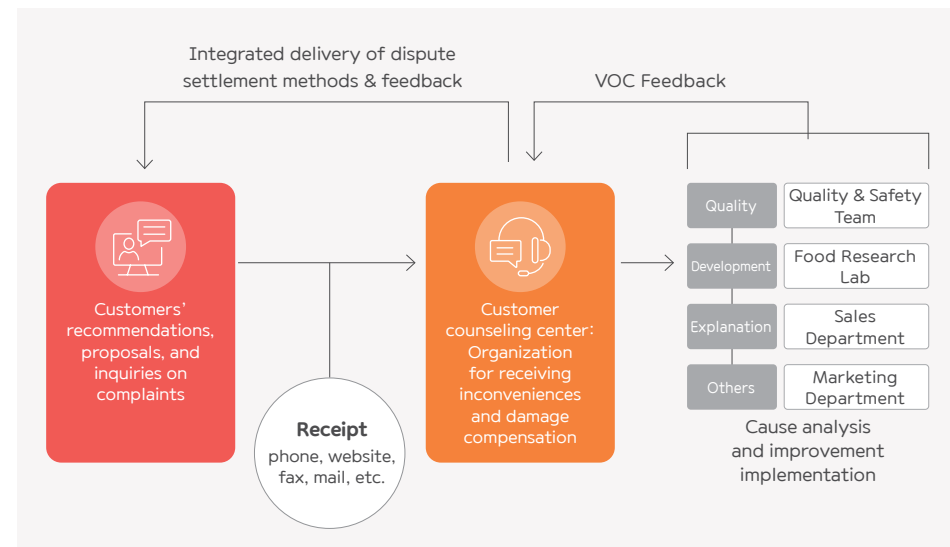
Binggrae is performing monitoring through the system of notification on the non-handling of claims and delay in handling. We have established a system of automatic notification for claim processing delays to manage the "Claim Re-inquiry Rate" so that customers will not experience inconvenience once again due to delays or omissions in processing in the event of customer complaints. In addition, the screen was configured for monitoring the real-time claim progress status.

As a result, the number of re-inquiries was reduced by half even though the total number of claims received increased, and the claim re-inquiry receipt rate compared to the total claim was reduced last year.

## Expansion of One-Call Response

To enable customer inquiries to be solved in a one-stop manner, the Customer Service Center is managing the "Initial Contact Completion Rate" for expanding the work of enabling counselors to handle inquiries immediately. As a result, the percentage of 1st handling-completed VOCs from the Customer Service Center out of the total number of VOCs received increased compared to the previous year.

## VOC Handling Procedure



## VOC Receipt Status by Type in the Recent 3 Years (100% Response Handling Rate)

(Unit : cases)

Classification	Orders	Product inquiries	Operational alliances	Product used	Service management	Events
2021	2,700	3,400	900	6,100	2,000	300
2022	2,600	3,500	700	6,000	2,000	100
2023	2,000	3,500	700	6,000	2,600	100



## Voluntary Recall and Active Damage Compensation for Defective Products

We pay extraordinary attention that far exceeds the level required under statutes related to product development, manufacturing, 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 accordingly whenever any defects are found to pose the risk of harm or damage to consumers. We also operate a damage compensation policy that considers each case's seriousness.

### Recall Classification and Targets

Classification	Contents
Mandatory recall	<ul style="list-style-type: none"> <li>Government recollection: Inspection for product recollection by government agencies and recall 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 subject to labeling because they may cause an allergy</li> </ul>
Recall non-implementation cases	<ul style="list-style-type: none"> <li>Non-distribution, full sales exhaustion, expiration of distribution period, etc.</li> </ul>

## Legal Compliance of Marketing & Communication

To enable all labeling/advertisements/information on the products provided through online/offline media to be compliant with the Act on Labeling & Advertising of Foods and Act on Consumer Protection in Electronic Commerce, etc., Binggrae carries out strict management by establishing a manual on the procedure for pre-verification and roles by department.

As a result, there were no cases of legal violations and non-compliances in the last 3 years regarding false and fraudulent/exaggerated advertising, etc.

In addition, to prevent any acts of deceiving consumers through Greenwashing<sup>1)</sup> in marketing and PR, etc., Binggrae will strengthen review and management in advance to become a company that earns the faith and trust of customers.

### Non-compliance with Statutes and Internal Autonomous Policies related to Marketing and Communication

Classification	Unit	2021	2022	2023
No. of violations of statutes/laws	cases	0	0	0
Punishment or fine (amount)	KRW	0	0	0
No. of cases discovered internally	cases	0	0	0

1) What is Greenwashing (Green + White Washing)? It refers to the corporate act of emphasizing an eco-friendly image through advertising, etc. despite producing products that actually have an adverse impact on the environment. This is a result of the phenomenon of increased public interest in the environment and due to the increase in the preference for eco-friendly products. As Green Marketing is becoming one of the essential marketing strategies in the company for applying and promoting an eco-friendly image throughout the overall process from product manufacture to advertising and sales, etc., there are cases of companies that are actually producing products that are not eco-friendly but trying to conceal such to look good.



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

May 11, 2023 | Packaging

Customer  
opinion

Q “The ‘Together’ ice cream has no vinyl seal on the cap.  
Is this normal?”

Improvement  
details

Binggrae removed the plastic vinyl packaging on the top of the product to participate in the environmental protection efforts. There is no problem in hygiene and safety.



Binggrae removed the plastic vinyl packaging  
on top of the product to participate in the  
environmental protection efforts.

“The sweet flavor of Binggrae, enjoy it cleaner!”



May 3, 2023 | Packaging

Customer  
opinion

Q “There is a sweet taste to the A Café La Americano.  
I wish there's a better name for expressing the taste more accurately.”

Improvement  
details

The product name was changed to “A Café La Sweet Americano” by  
reflecting consumer opinion.



Before Improvement



After Improvement

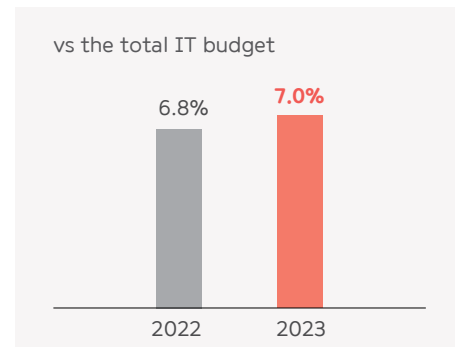
## Protection of Customers' Personal Information and Privacy

Binggrae appointed a CISO (Chief Information Security Officer) with expertise in information protection-related knowledge and practical experience, etc. to consider technical/administrative measures for preventing loss, theft, and leak of personal information, and external attack and hacking in the overall work. As a result, there have been no accidents related to customer information for the last 3 years. Binggrae will continue its best efforts to comply with laws related to the protection of personal information, and to protect the personal information of customers.

### Guideline on Customer Information Protection in Binggrae's 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 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.

### Scale of Investment in the Information Protection Field



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



Go to Privacy Policy	Unit	2021	2022	2023
No. of complaints about violations of regulations on the protection of customers' personal information	cases	0	0	0
No. of incidents of leak, theft, or loss of customer-related data	cases	0	0	0

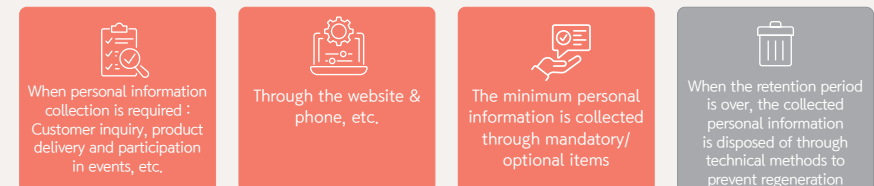
## Privacy Policy

Binggrae places high value on the personal information of customers; to protect personal information, the relevant laws and regulations are observed such as the Personal Information Protection Act and Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc. The privacy officer is the person in charge of management planning, and protection of personal information is the responsibility of the Information Innovation Team.

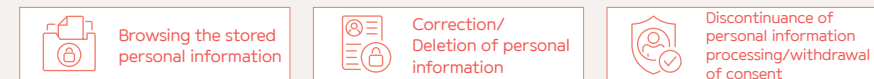
Through the privacy policy, the company discloses in detail the purpose and method of use of the personal information provided by the customer, including what measures are taken for protecting personal information, in its official website. Binggrae will continue exerting best efforts to achieve the personal information protection policy's goal of zero leak and damage to personal information.

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

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



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



### Method of requesting the exercise of rights 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)

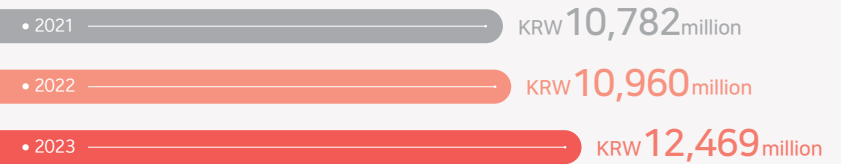


\* View details of the privacy policy: <https://www.bing.co.kr/support/privacy>

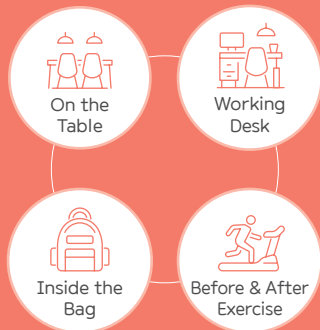
## Development & Investment for Creating Healthier, High-Quality Products

To provide healthier, high-quality products to customers, Binggrae continues earnest efforts to secure top quality through continuous investment in facilities, equipment, and R&D and by reinforcing the quality control system. As a result of continuous efforts for product development, various kinds of health-functional food and health-oriented food have been launched recently through the integrated health brand Tft. Binggrae will continue to take on the challenge of expanding the health category until 2030 and to develop various products with emphasis on the health and tastes of customers.

## R&D Expenses for Quality Improvement



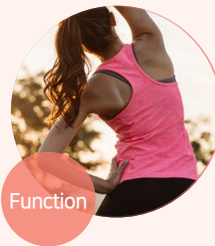
A health brand wishing for customers' health was created with three core values (taste, function, trust)



Taste

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

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



Function

### For practical support to health,

Along with using raw materials certified for effects, content will also be considered sufficiently to discover customized functional products according to gender, age, and job characteristics continuously, 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' food manufacturing know-how. Binggrae will develop trusted products that can be enjoyed without concerns except when choosing products according to personal preference.

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



① VIVACITY is a health brand with the core values of "Taste" and "Health."



② 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.

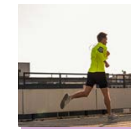


③ VIVACITY supports the health of women living their daily lives with diligence.

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

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

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



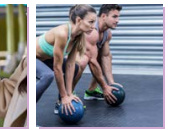
After a short walk and jogging



When feeling a lack of protein from the meal



To supplement health during a busy morning or a hungry afternoon



When supplementation of protein is required immediately after light exercise or muscle workout

## Securing Health and Safety During the Use of Products and Services

### Food Safety Management Policies

Food safety does not allow even 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.

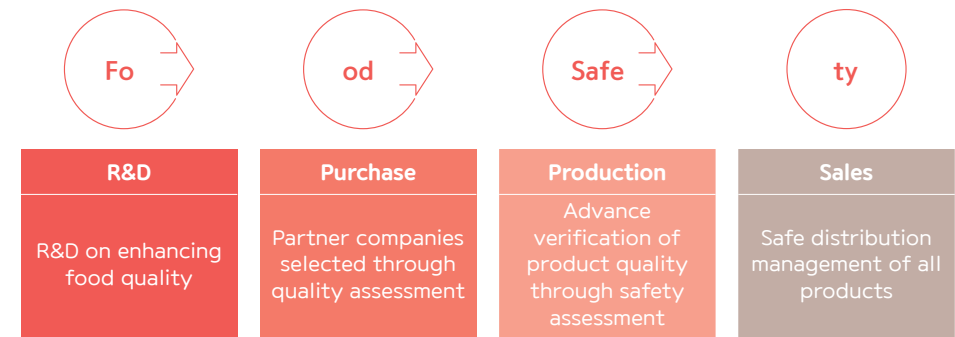
- 01 All food products produced and sold must comply with domestic and international regulations and internal standards. A food safety management system must be established and implemented by adhering to customer requirements.
- 02 All food products produced and sold are to be released only after ensuring safety by eliminating risks of food safety incidents through prior safety evaluations.
- 03 Preventive management activities should be conducted to eliminate food safety and quality hazards in advance, monitor legal requirements and issues proactively, and communicate food safety information both internally and externally.
- 04 Compliance with prerequisite programs, OPRP, HACCP plans, food safety management manuals, procedures, and work standards must be ensured, and continuous improvement should be pursued to maintain product safety and quality
- 05 Minimize food loss and waste generated during manufacturing and distribution to contribute to the achievement of sustainability management goals



### 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





# WIN-WIN COOPERATION FOR SUSTAINABLE SUPPLY CHAIN MANAGEMENT

## Win-win Growth

Binggrae is actively promoting activities for win-win cooperation and shared growth with partners. As a food manufacturer, Binggrae is supplied with raw & subsidiary materials by various suppliers, so stable, sustainable supply chain management is a very important factor for cost and price stabilization. In this process, fair trade compliance is a social responsibility of the company. Binggrae is continuing efforts to find methods for win-win growth with partners and farms, and responsibilities with regard to partners such as establishing mutual trust with partners and promoting shared growth are specified in the code of ethics. Moreover, supply chain management policies such as fair trade policy and partner code of conduct, etc. were established to provide the foundation for supply chain management.

CEO Jeon Chang-won



## Win-win Growth Principle

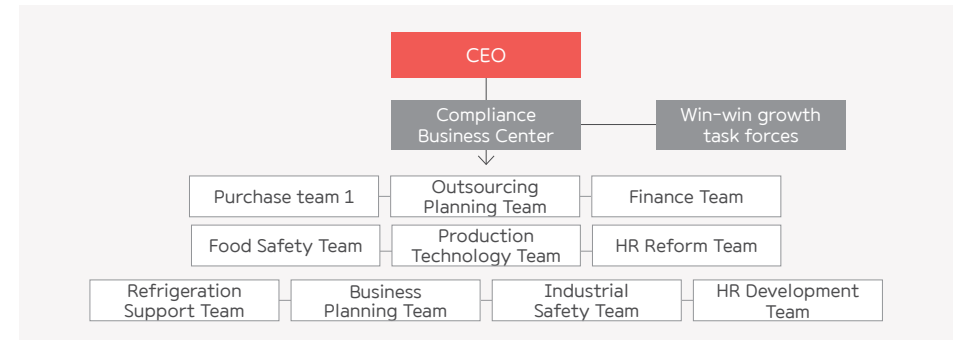
### Efforts to Grow Together with Partner Companies

In keeping with the mission of sharing health and happiness together, and the principle of providing the best value to customers, Binggrae established the following 3 principles to promote shared growth with partners:

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

## Organizational Chart of Win-win Growth

We operate win-win growth organizations in order to listen to the voices of our partner companies.



## 4 Major Duties to Perform for Win-win Growth

### 1 Rules on fair selection (registration) of partner companies

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

### 2 Rules on formation/operation of the Subcontract Terms Review Committee

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

### 3 Rules on issuance and archiving of desirable documents

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

### 4 Rules on entering into desirable contracts

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

\* For further details on 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

Binggrae is carrying out shared growth activities in full scale with partners for creating social value. Because Binggrae is supplied with raw & subsidiary materials by various suppliers as a food manufacturer, efforts are focused on sustainable supply chain management for cost and price stabilization. For shared growth with partners and farms, a win-win fund of approximately KRW 10 billion was created with the Industrial Bank of Korea (IBK) to support partners suffering from difficulty in funding, and a channel for consistent communication with partners was established through the “Happy Together with the Partners!” program.

### Status of Main Activities with Partners

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

### Win-win Communication with Partners

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 to our win-win principles and programs. In 2023, grievance settlement meeting and presentation on the delivery unit price linkage system were held to listen to opinions from partners' employees for improvement.

### Status of Listening to Opinions from Partners' Employees in 2023

• Opinions of employees 70<sub>EA</sub>

• Improvement completed 70<sub>EA</sub>



Handling rate  
100%

### “Happy Together with the Partners!” Operation of Partner Communication Channel

Binggrae operates various programs with partners every year, and examples of main programs include events for helping unfortunate neighbors together with partners and holding a win-win concert. On December 7, 2023, a year-end night event with partners was held by the Purchase Department to provide an opportunity to meet partners directly and for mutual encouragement following the end of the COVID-19 pandemic. In this event, 595 people from 191 partners were gathered; through win-win communication with partners, Binggrae will continue to listen to their difficulties and improve the relevant matters.



## 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	2021	2022	2023
No. of partner companies	companies	256	264	276
No. of key partner companies	companies	59	54	59
Total amount purchased	KRW 1 bil.	123.5	132.3	130.0

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

### Status of Support to Partner Companies

	<b>No. of companies receiving quality and sanitation support</b> <b>67 companies</b> 2021	<b>97 companies</b> 2022	<b>54 companies</b> 2023
	<b>Amount of win-win fund</b> <b>KRW 10 bil.</b> 2021	<b>KRW 10 bil.</b> 2022	<b>KRW 10 bil.</b> 2023
	<b>No. of partner companies receiving education support</b> <b>50 companies (64 persons)</b> 2021	<b>62 companies (71 persons)</b> 2022	<b>57 companies (108 persons)</b> 2023

## Customized Support Through Partner Evaluation

Binggrae is providing support customized for each vendor by rewarding the excellent partner in the periodic evaluation of partners annually, with partners falling short of the evaluation standard investigated to determine the causes and share improvement methods. As a result of the comprehensive evaluation of partners in 2023, 4 companies were selected as excellent partners. On March 12, 2024, a general meeting with partners was held at the same time at Kim Koo Museum & Library. After rewarding partners on this day, the 2024 Binggrae ESG and supply chain management policy, partner ESG Assessment/evaluation and ESG support programs for partners, etc. were shared.

### 2023 Excellent Partner Selection

- 1. Evaluation Period** : Jan. 1 – Dec. 31, 2023
- 2. Evaluation Target** : 218 partners
- 3. Evaluation Contents**
  - Common : Cooperation level, ESG
  - Quality : Return, consumer, visit, etc.
  - Materials & Purchase: Delivery, e-order, and credit rating
  - Order/Inventory Management : Inventory upload and warehousing accuracy
- 4. Evaluation Grade** : 5 grades (Grade A, B, C, D & E)
- 5. Selection of Excellent Partners** : 4 companies
- 6. Reward** : KRW 16 million in direct reward amount



### Status of Excellent Partner Selection

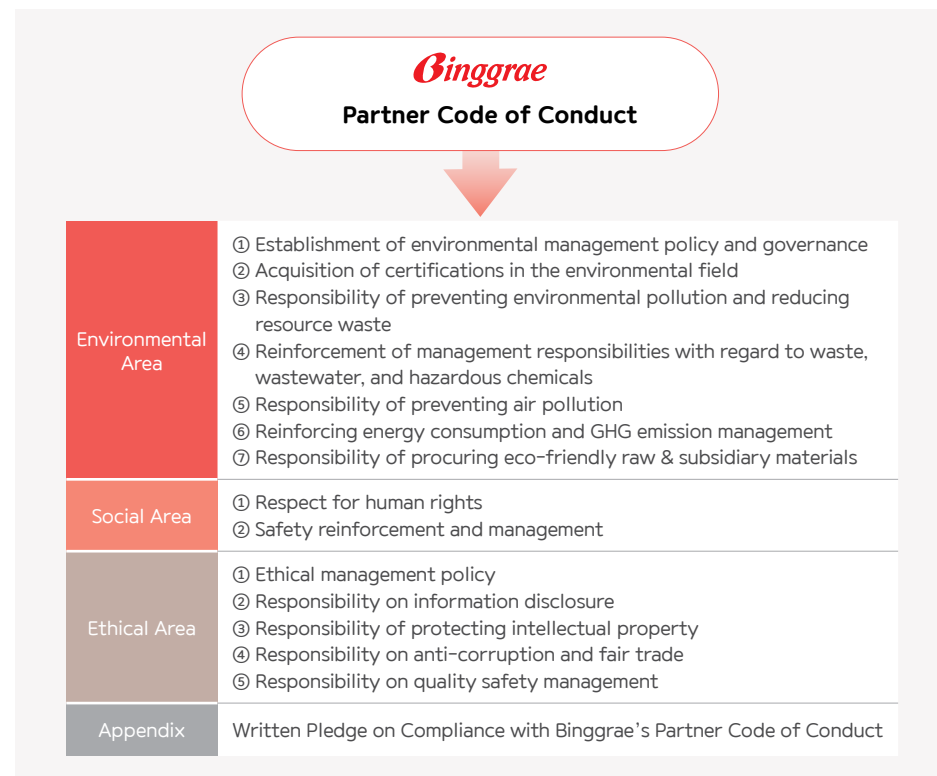
Classification	Unit	2021	2022	2023
No. of partners for evaluation	companies	216	206	218
Selection of excellent partners	companies	28	7	4
Direct reward amount	KRW 1 mil.	13	17	16

## ESG Management in the Supply Chain

### Code of Conduct on the Vendor

Binggrae established the “Partner Code of Conduct” to enable partners to fulfill social responsibilities. The partner code of conduct consists of details on the matters that must be observed for each of the environmental, social, and ethical areas by partners preferring to do business with Binggrae.

For all contracts with suppliers, the Written Pledge on Compliance with the Partner Code of Conduct should be attached to enable suppliers to comply with the relevant code of conduct.



### Status of Partner ESG Self-Assessment Performance

Binggrae minimizes the business impact by establishing the management system for strengthening the ESG capabilities of partners, and by managing the ESG risks that can occur in the supply chain. After registering as a partner, its ESG management level is checked periodically through ESG self-assessment, and various kinds of support for improving ESG management are provided based on the self-assessment result.

In 2023, 127 partners participated in the self-assessment, and 37 partners with ESG-related certifications (ISO 14001, ISO 9001, ISO 45001, ISO 37301, Green Technology and CCM Certification, etc.) had their additional points reflected to the partner evaluation item system of Binggrae's Procurement Portal. In the future, ESG self-assessment will be expanded, and partners selected as excellent partner in ESG will be provided with incentives such as increase in the purchase portion to encourage partners to sophisticate their ESG management. In addition, partners will be supported in ESG training and consulting to strengthen supply chain capabilities as part of continuing efforts to establish a healthy supply chain system.

### Partner ESG Self-Assessment Result

- **Performance Period** : Feb. 6-23, 2023
- **Assessment Details** : Total of 25 indicators in the environmental, social, and ethical areas
- **Performance Result** :
  - Reply received from 127 companies out of a total of 192 partners (Average of 79.8 points)
  - Reflected to the Partner Evaluation System of Binggrae's Procurement Portal/Audit evaluation elements for the Food Safety Team



### Status of Transaction with Partners

Classification	2021	2022	2023
ESG Self-Assessment checklist	Response by 46 companies	Response by 92 companies	Response by 127 companies
Additional points applied in evaluation according to the ESG-related certifications held*	15 companies	8 companies	37 companies

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

# COMMUNITY INVOLVEMENT

## “Binggrae Ideas” in Binggrae Missions

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

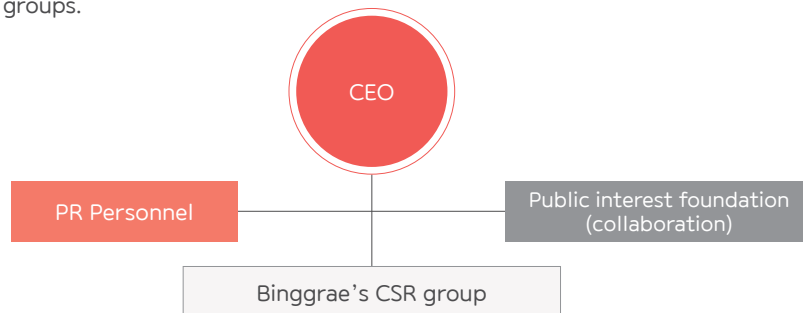


We have contributed to the nation for many years, with mid- and long-term goals for focused areas based on the Binggrae spirit inspired by the nation’s smile emphasized by Dosan Ahn Chang-ho as contained in our missions, which are designed to “deliver a bright smile by sharing health and happiness.”

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 public each year to people in urgent need of care and attention.

## Community Involvement 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.



## Focus of Community Involvement

With the desire to contribute to the abundant life of the people and social development by promoting legal and ethical businesses, Binggrae included the regulation on national and social responsibilities in the code of ethics, and established 4 principles for contributing to the community as follows to carry out various activities for contributing to society:

### Binggrae Ethics Charter’s “Contribution to the Community”

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



### CSR Vision

### Slogan

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

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



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

Along with the social contribution activities by the head office, Binggrae is seeking to spread and expand social contribution activities to areas near the main business sites located in local strategic points.

Accordingly, Binggrae will cooperate annually with the relevant local governments having jurisdiction over 3 main business sites to discover and implement social contribution projects until 2030.

### Win-Win with the Community Vision

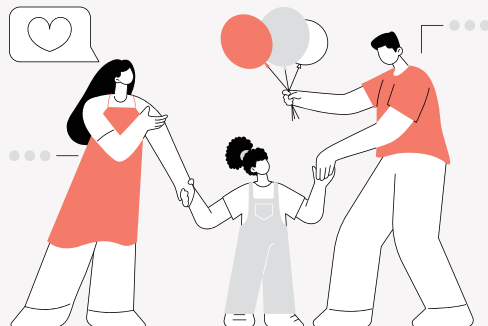
**Company enabling win-win with the community through sustainable social contribution activities**

### 2030 Goal

- Discover community contribution projects at business sites
  - Invite 3,000 or more children in the Children's Drawing Contest
  - Annual sponsorship of KRW 100 million or more to the vulnerable class near the business site

### 2030 Goal Achievement Strategy

- Host the Binggrae Children's Drawing Contest
- Discover projects on supporting supplies to groups vulnerable to potential disasters in the community
- Discover customized support projects for groups vulnerable to the climate crisis in the community



## Community Involvement Activities by Binggrae



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

- Dosan Ahn Chang-ho

### Binggrae Children's Drawing Contest held since 1986

As one of the main social contribution activities of Binggrae, Binggrae Children's Drawing Contest was first held in 1986 and has been held annually until today.

Binggrae Children's Drawing Contest, where all children can participate, is a festival for pure and innocent children to present their dreams and imaginations freely, and to share love and happiness of the family.

In the 36th Binggrae Children's Drawing Contest in 2023, a total of 3,498 children applied for participation, and 1,949 children participated in the contest for drawing, enjoying various events.

From 2022, the theme of Binggrae Children's Drawing Contest was set as “Independence” to add meaning to the contest; in 2023, relevance to the contest topic was considered to host the event at the Independence Hall of Korea in Cheonan.



36th Binggrae Children's Drawing Contest held at the Independence Hall of Korea (Cheonan)



No. of Participants  
**1,949** persons



Event Amount  
**KRW 170** million

## 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 the development of the country and citizens and to support 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 independence and patriotism promotion groups, including the Lee Bong Chang Memorial Association, as well as 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 national culture.

The Lee Bong Chang Memorial Association held an academic conference in October 2022 to commemorate the 90th anniversary of uprising and sacrifice by Martyr Lee Bong-chang, and the 91st anniversary of the uprising and sacrifice of Martyr Lee Bong-chang was held in January 2023 in Martyr Lee Bong Chang's Tomb located in Hyochang Park (Yongsan, Seoul). Binggrae will continue actively implementing projects of commemorating and succeeding the patriotic spirit of patriotic martyrs for the country.



91st memorial ceremony on the sacrifice of Martyr Lee Bong-chang

## Scholarship Programs to Descendants of National Patriots & Veterans

In the 10th anniversary of the March First Independence Movement and establishment of Provisional Government of the Republic of Korea in 2019, the Binggrae Public Welfare Foundation signed an agreement with the National Police Agency and Ministry of Patriots & Veterans Affairs to proceed with scholarship programs targeting descendants of national and independence patriots & veterans. In 2023, KRW 100 million in scholarship funds was provided to a total of 70 eligible students, including 58 descendants of independence activists and patriots and 12 children of police officers who gave their lives on duty, etc.



Classification	Unit	2023
No. of scholarship students supported	persons	70
Scholarship amount	KRW 1 mi.	100

## 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 donating part of the proceeds from product sales. For 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 worth KRW 300 million were donated to people vulnerable to disasters, including forest fire victims in the Gyeongbuk and Gangwon regions.

In 2023, Binggrae and the Red Cross held a ceremony for signing the agreement on relief aid sponsorship at the Korean Red Cross Seoul Chapter in Jung-gu, Seoul, with Binggrae sponsoring KRW 210 million in donations and KRW 6 million worth of goods.

Meanwhile, a ceremony for awarding the “Red Cross Honors Club” plaque was held along with the relief donation agreement signing ceremony.

The Red Cross Honors Club is a certification of corporations with large donation to the Red Cross, given to companies that participated in practicing the spread and sharing of social value to contribute to the humanitarian activities by the Red Cross.

Binggrae has continued to sponsor the Korean Red Cross since 2013, with its cumulative donation amount exceeding KRW 1 billion. Binggrae will continue its social contributions to become a company that helps the neighbors in need in society.



### Distribution of Binggrae Korean Fonts Embodying the Corporate Ideal of Health, Happiness, and Smiles since 2016

In the project for distributing Binggrae Korean Fonts embodying the corporate ideal of health, happiness, and smiles (since 2016), Binggrae is a company using pure Korean words for its corporate 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 Font, Binggrae Melona Font, and Binggrae Samank Font.



### Donation of Goods for the Vulnerable Class Support Project in Response to the Intense Heat

In 2023, Binggrae participated in the vulnerable class support project in response to the intense heat hosted by the Ministry of Environment and carried out by the Korea Climate & Environment Network, and 2,100 households from the vulnerable class and 50 facilities for responding to intense heat were given B.B.BIG and BaBamba as the main ice cream products of Binggrae and Haitai Ice Cream, including Clear Sky Balloon Flower Root Tea in label-free packaging, a product with “Excellent” recycling grade.

In the future, Binggrae will continue efforts to provide assistance to the vulnerable class in the community through the products it manufactures such as supporting the vulnerable class on climate change.



### Binggrae performs the Independence Movement Campaign “The World’s Latest Graduation Ceremony”

On July 15, 2023, Binggrae held the “World’s Latest Graduation Ceremony” for student independence activists at the Independence Hall of Korea in Cheonan.

The “World’s Latest Graduation Ceremony” is an honorary graduation ceremony campaign held by Binggrae for the student independence activists who had to give up their studies due to the unfair disciplinary measure imposed on them for participating in the independence movement. For the candidates, school expulsion records in the e-Archives of the Ministry of Patriots & Veterans Affairs were reviewed, and consent was obtained from the descendants of the student independence activists with restorable photos to select 94 candidates. With the participation of about 150 descendants of independence activists and related parties from Binggrae and Ministry of Patriots & Veterans Affairs, the ceremony was held in a solemn, touching mood.

During this graduation ceremony, honorary graduate certificate and album were presented to the participants, with the graduation album printed using the photo restored to the appearance at the time of graduation through AI technology based on the remaining photos of the independence activists.

Binggrae planned this event to express deep gratitude to the independence activists who sacrificed not only their studies but also their whole lives for independence, as well as to make the descendants feel pride. Binggrae will continue to plan and execute various activities to promote the spirit of independence movement.





# GLOBAL INTEGRITY

We do our best to realize a global-level governance structure by deploying a stable, transparent governance structure. Response is made to the changes in the business environment through the enterprise-wide risk management system, and ethical management and fair competition are set as the principles for fulfilling social responsibilities.

86 TRANSPARENT GOVERNANCE & RISK MANAGEMENT

90 TRANSPARENT & ETHICAL CORPORATE CULTURE

## 2023 Key Performances



**16**times(100%)

Number of board meetings held (attendance rate)



**4**times(100%)

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



**726**persons  
(100%)

No. of people who completed the ethical anti-corruption training (Training completion rate)

**“Excellent Grade” acquired  
(3 consecutive years)  
in the assessment of fair trade  
agreement performance**

# TRANSPARENT GOVERNANCE & RISK MANAGEMENT

## Organization of BoD

The directors are members of the Binggrae Board of Directors (BoD) selected through a resolution of the shareholders, with director candidates selected through a recommendation by the BoD. In addition, the provisions in the Articles of Incorporation are applied to make the total number of directors at least 3 but not more than 8 directors, and external directors must constitute at least one-fourth of the total number of directors. In addition, the representative director (CEO) concurrently holds the position of Chairman. The term of office of directors is three years, but they may be reelected when their term of office expires through a general shareholders' meeting. External directors may continue to serve for up to six years.

As of end of March 2024, BoD is composed of 4 internal directors and 2 external directors, and experts in the management, tax, and legal fields are appointed to secure the expertise of the BoD.

## Independence of Directors

BoD has the authority to decide on matters stipulated in laws or 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 chairman.

Candidates for the inside and outside directors to be appointed in the general shareholders' meeting are recommended and selected by the Director Candidate Recommendation Committee and BoD, and confirmed as the agenda to be submitted to the general shareholders' meeting. Especially to secure expertise, independence, and responsibility, outside directors are composed of those recommended from inside and outside the company to be selected carefully, with the candidate group selected from the manpower pool managed by the Director Candidate Recommendation Committee.

### Current Organization of BoD

(As of end of Mar. 2024)

Classification	Full name	Gender	Career profile	Expertise	Term of service
Internal director	Jeon Chang-won	Male	Current) Representative Director - CEO, Binggrae Former) Vice-president, Business management, Binggrae	Management	Mar. 2023 - Mar. 2026
	Kim Ho-yeon	Male	Current) Chairperson, Binggrae Former) Representative Director - Chairperson, Binggrae	Management	Mar. 2023 - Mar. 2026
	Park Jeong-hwan	Male	Current) Leader, New factory promotion group, Binggrae Former) Vice-president Procurement, Binggrae	Production/ Procurement	Mar. 2022 - Mar. 2025
	Go Jae-hak	Male	Current) Binggrae Finance Director: Auditor, Haitai Ice Cream Co., Ltd.; Auditor, BC F&B Shanghai Co., Ltd. Former) Binggrae Finance Team	Finance/Accounting	Mar. 2024 - Mar. 2027
External director	Kang Myeong-gil	Male	Current) External Director, Binggrae; CEO, Road Farm. Former) Vice-CEO of Round Rock Co., Ltd.	Production	Mar. 2024 - Mar. 2027
	Oh Dae-shik	Male	Current) External Director, Binggrae; Non-standing Auditor, Mezzion Co., Ltd. Former) President of Tax Corporation, Jeil Tax & Management	Tax/Accounting	Mar. 2022 - Mar. 2025

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



## Operation of BoD

### Holding Board Meetings

As a rule, regular board meetings are held quarterly, with extraordinary board meetings held as and when required. Resolutions of the agenda are made by majority of the attending Directors with voting rights. In 2023, a total of 16 board meetings were convened for the resolution of a total of 33 agenda including the approval of the safety & health plan and ESG risk review report, etc. The participation rate of internal and external directors in 2023 was 100%.

### Board Meetings Held in 2023

Session	Dates held	Details of Key Agendas	Session	Dates held	Details of Key Agendas
1	Jan. 13	• Latter half of 2022 Reporting of results of periodic risk assessment of the Fair Trade Compliance Program	9	May 30	• Appointment of compliance officer • Approval of transactions between the company and its directors, etc. • Approval of management review report on the compliance management system (ISO37301) • Approval of publication of sustainability report
2	Jan. 27	• 57th term (Jan. 01-Dec. 31, 2021) Approval of financial statements and business report • Report on the results of assessment of operation of internal accounting management system in 2022 • Approval of Report on Health and Safety Plans for 2023	10	Jul. 20	• Report on the results of the 2023 first half periodic risk assessment of the Fair Trade Compliance Program
3	Feb. 16	• Report on the results of inspection of compliance control guidelines in 2022 • Report on the results of the auditor's assessment of the report on the operational status of internal accounting management system, 2022	11	Jul. 20	• Report on the 2023 first half business performances
4	Mar. 03	• 57th-term regular general shareholders' meeting	12	Oct. 13	• Extension of maturity of agreement with banks on import transactions • Report on business performance in Q3 2023
5	Mar. 16	• Approval of directors holding additional positions	13	Nov. 08	• Approval of transactions between the company and its directors, etc. • Review of new investments, etc. • Approval of amendments of the BoD operational regulations
6	Mar. 23	• Appointment of representative director (CEO) • Report on the 2022 Environmental Management Performance	14	Nov. 30	• Approval of establishment of the Director Candidate Recommendation Committee
7	Apr. 28	• Import & Export transaction agreement with the bank • 2023 crude oil consumption activation (FTA fund) fund loan	15	Dec. 12	• Determination of closing date of the shareholder register • Approval of publication of sustainability report
8	May 09	• Report on business performance in Q1 2023	16	Dec. 28	• Approval of transactions between the company and its directors, etc. • Approval of donation • Approval of amendments of personnel regulations on executives • Report on the candidate group for external directors • Determination of remuneration for external directors • Report on the 2023 ESG (Non-financial) risk review result and strategy

### Support for Strengthening the BoD Role

Binggrae is subscribed to liability insurance on compensation for damages by the directors to prepare legally for any personal liabilities by the directors and any damages due to the performance of specific work during the business operation. This helps the directors representing the company make decisions or take responsibility for the company, and to perform their management role stably.

### BoD Competency Reinforcement

Education is provided to external directors regularly to enhance efficiency in fulfilling the directors' role and for efficient operation, with an organization for supporting the performance of duties by the BoD designated for operation. In 2023, a total of 4 educational sessions were held, and all external directors participated in the education.

### Education Conducted for External Directors in 2023

Date of education program	Provider	Key contents
Mar. 23	Compliance Support Center, Office Services Team	Newly appointed/reappointed 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 23	Internal Audit Management Team	Internal control
Aug. 18	Compliance Support Center	Understanding of BC Ethical Management
Nov. 30	Compliance Support Center, Office Services Team	Commentary on key amended statutes in 2023, education on unfair trade

### Support Team for External Directors

Name of department	No. of employees	Position, Period of support service	Contents of key activities
General Affairs Team	3 persons	One Team Leader, 5 years Two Professionals, 9 years	• Support for operation of the board of directors • Support for other duties of outside directors

## Evaluation and Remuneration of the BoD

The BoD is reviewed once a year through an objective, fair evaluation as to whether the operation of the BoD is efficient and independent. The main items of the BoD evaluation are composed of duty execution, independence, operation and proposal of improvements, etc. In addition, external directors are evaluated through individual evaluation on the independence, sincerity of duty execution, expertise in and compliance with corporate ethics, etc. The result of this evaluation is approved in the general meeting of shareholders and reflected when appointing directors and determining the compensation, and the director's compensation is determined within the appropriate compensation limit according to the in-house regulations.

## Audit System

### Audit Operation

According to Article 542-10 of the Commercial Act, Binggrae performs the audit with one auditor appointed through the resolution of the general shareholders' meeting. The auditor is recommended by the BoD, and an expert with qualifications in the relevant areas of finance and accounting, etc. is appointed through a resolution of the general shareholders' meeting. The auditor browses through the books and relevant documents on accounting for the accounting audit, and reviews the financial statements, consolidated financial statements, and supplementary schedules. If required, appropriate audit procedures such as comparison, due diligence, witness and inquiry, etc. are also applied to perform the audit.

### Auditor Status

(As of end of Mar. 2024)

Full name	Hong Ki-taek
Experience	Current) Representative, Daeil Accounting Firm (1998-present) Former) Chairperson, Municipal Tax Research Committee, Korea Institute of Certified Public Accountants (2015-2017)
Type of expert	Accountant

### Auditor Competency Reinforcement

For efficiency of auditor's service, we appoint an audit team to support the auditor's performance of audit duties. We also conducted audit education on four occasions in 2023.

### Audit Support Organization

Name of department	No. of employees (persons)	Position, Period of support service	Contents of key activities
Audit team	3	One Team Leader, 3 years Two Professionals, 4 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>

## Shareholders

### Protection of Rights and Interests of Shareholders

Binggrae stipulates the rights and responsibilities of the shareholders through the charter of corporate governance.

Each shareholder has one voting right per common stock, and limitation of voting rights for specific shareholders are implemented in accordance with the law. In addition, Binggrae provides the necessary information to the shareholders in a sufficient, fair, and timely manner according to related laws, and e-voting system is implemented through a resolution of the BoD meeting to enable the shareholders to exercise their voting rights appropriately.

### Shareholder Status

(As of end of Dec. 2023)

Shareholder Name	No. of Shares Owned (Share)	Stake (%)
Kim Ho-yeon	3,620,527	36.75
Treasury Stock	1,009,440	10.25
Others	5,221,274	53.00
Total	9,851,241	100.00

### Shareholder Return Policy

To increase shareholder value, Binggrae considers the management performance of each business year, future investment plan, cash flow, and stability of dividends comprehensively to distribute dividends through the resolutions of the BoD and general shareholders' meetings. From the mid- to long-term perspectives, dividend policy is established to secure 25%~35% of the net income (excluding one-time extraordinary profit) based on separate financial statements as dividends. Cash dividend per share in 2023 is KRW 2,600, with consolidated cash dividend payout ratio of 26.7%.

### Notice on Convocation of the General Shareholders' Meeting.

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

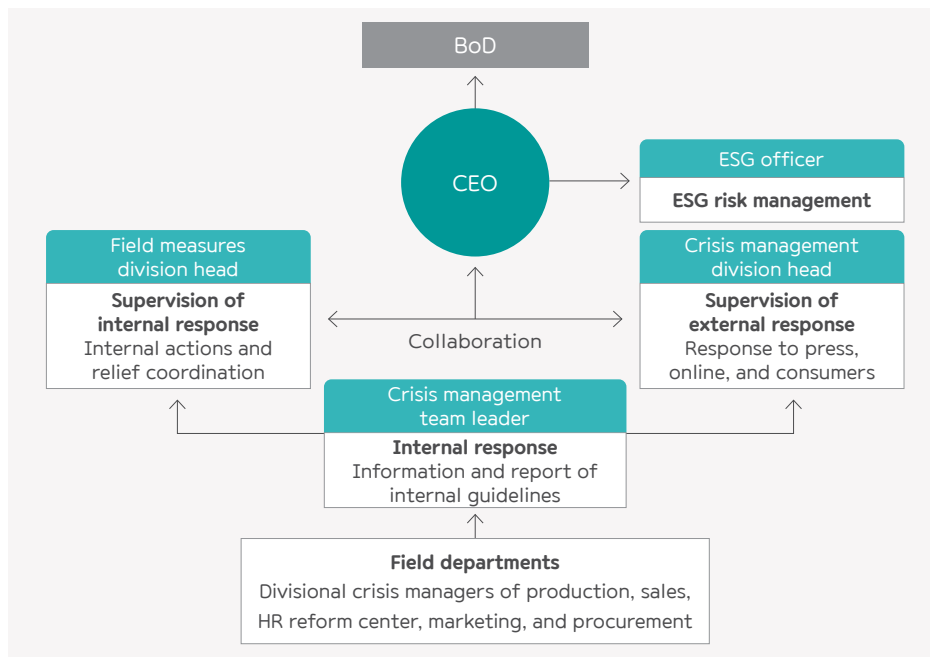
## Risk Management

### Risk Management System

Binggrae's BoD comprehensively reviews the financial and non-financial risks that can occur in the overall management activity. Along with the existing financial, legal, and quality risks, various non-financial risks such as environmental, safety and social responsibilities, etc. are considered.

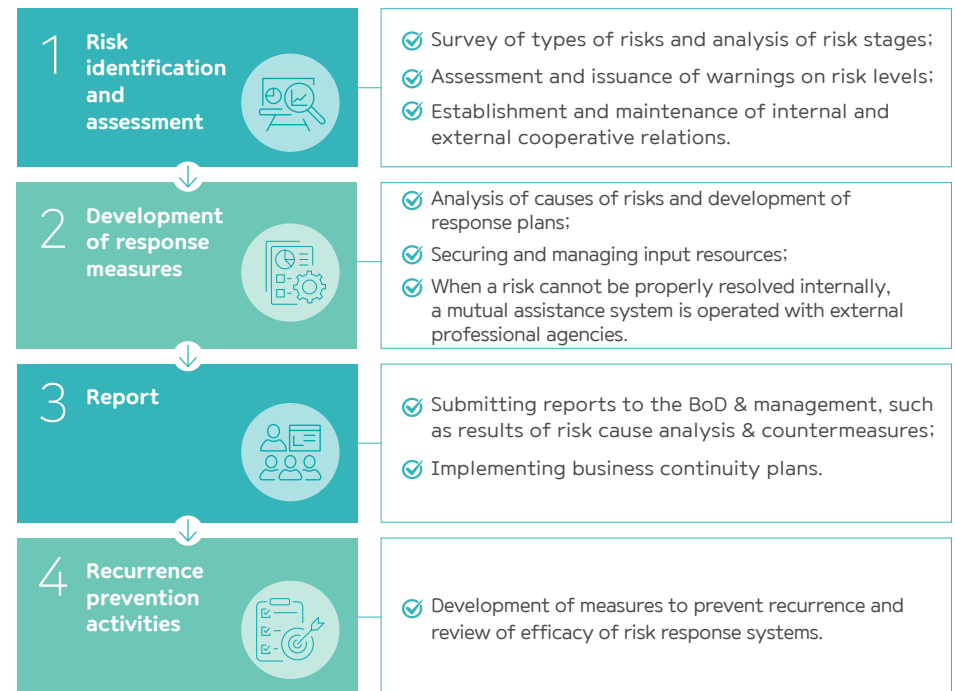
To manage the ESG risks, preventive activities for each risk issue and response activities are performed through the collaborative system of the ESG officer and exclusive department for each field. By developing the process for each situation and conducting simulation training, a response system is established for quick action upon the occurrence of crisis. In addition, the risk level for all risks is identified in 4 aspects human damage, violation of laws, financial loss, and damage to public image to share in real time with the management and relevant departments so that response can be made.

### Enterprise-wide Risk Management Organization Chart



### 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.



# TRANSPARENT & ETHICAL CORPORATE CULTURE

## Ethical Management

### Value System of Ethical Management

“Ethics and Morality” are set as the basic values of Binggrae to comply strictly with the laws and regulations, and with the spirit of the law.

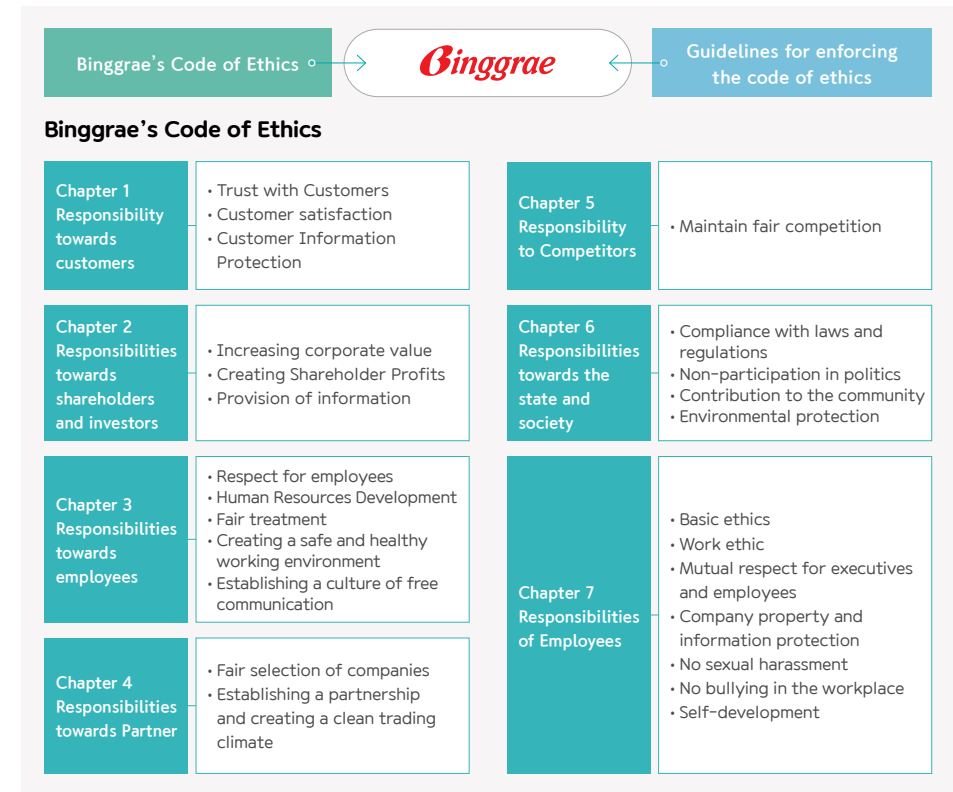
Fair, transparent competition is pursued, with a goal of creating and developing a society of living together through coexistence with various stakeholders.

Binggrae is continuing efforts in establishing a culture of practicing ethical management, and spreading this culture to grow into a company that is more trusted by the stakeholders. For this, a code of ethics was established for compliance by the organization and individuals, and a Compliance Management System (ISO 37301) certification was acquired to enhance executive ability and effectiveness with regard to compliance management.

### Direction and Principles of Ethical Management

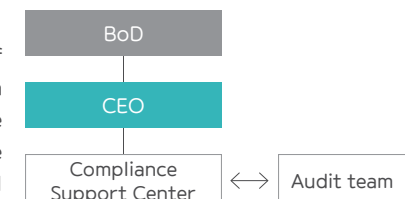


## Code of Ethics



### Ethical Management Organization

Binggrae determines the strategy and direction of ethical management through the BoD. In addition, a compliance support center is established as the exclusive department for ethical management, and efforts are focused on realizing a clean, healthy organizational culture through systematic support and cooperation with the audit team.



## Ethical and Anti-corruption Training

Binggrae conducts training on the code of ethics and guidelines at least once a year for all employees and newly recruited workers. In 2023, mandatory training related to ethical management and anti-corruption was conducted twice, with self-training by the Compliance Support Center carried out 12 times. Self-training was conducted as a cyber-learning program by posting the training materials and legal compliance videos in the Binggrae Intranet for viewing by all employees, and employees in the sales sector with high risk of unfair competition occurring were provided with intensive training separately.

### Status of Ethical & Anti-corruption Training

Classification	Unit	2021	2022	2023
Employees attending courses	persons	759	790	726
Employees completing education courses	persons	759	790	726
Ratio of those who completed education courses	%	100	100	100

\* Employees attending courses : Office workers excluding fixed-term workers.

## Pledge of Ethical Practice

All members of Binggrae are obliged to comply with the code of ethics and pledge the practice of such, and measures are taken for any violations according to the corporate regulations. For this, a written pledge on the observance of ethical regulations and a compliance pledge are received regularly from the employees every year.

## System for Reporting Breaches or Violations

Binggrae receives reports on unfair request or work handling by the employees and other illegal acts through the cyber report center in its official website. The 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 Guidelines Chapter 9 Violation Management and related regulations. Disadvantageous treatment of reporters in personnel affairs is strictly prohibited, and anyone engaging 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 →  
Cyber Report Center (grievances in integrity and human rights)

## Establishment of Reporting Culture

We have awarded commendations and preferential HR treatment to 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 as a provision for reinvigorating anti-corruption programs and preventing unlawful monetary rebates.

## Status of Reception & Handling through the Whistleblower System

Among the 10 reports received through the whistleblower system in 2023, 2 reports were investigated objectively and found to be actually true, and disciplinary actions were taken. Various efforts will be made in preventing the recurrence of the relevant issue in the future.



## Ethical Management Monitoring & Inspection

Binggrae is reinforcing its ethical values and social responsibilities by performing self-assessment of legal compliance annually. Compliance self-assessment emphasizes the significance of compliance with the ethical standards of the company and legal compliance to help employees take honest and responsible actions within the organization. This also enables Binggrae to identify the legal risks in advance to respond appropriately, and an ethical corporate culture is being created. In 2023, compliance self-assessment was performed in the first and second semesters; especially in the second semester, 4 applicable laws were added and the overall target was expanded to perform the assessment more strictly and extensively.

Compliance Self-diagnosis Result in the First Semester of 2023 and Future Action Plan	
<b>Targets</b>	<ul style="list-style-type: none"> <li>• Target statutes : 3 key laws (considering regulation trends, possibility of violation, risk, etc.).               <ul style="list-style-type: none"> <li>– Laws on fair trade in general, subcontracting, and agency.</li> </ul> </li> <li>• Target departments : Departments related to the statutes (including sales offices).</li> </ul>
<b>Method of assessment</b>	<ul style="list-style-type: none"> <li>• Jun. 22-30, 2023, Using the online comprehensive information system.</li> <li>• The level of risk was checked for each of the 66 questions concerning 3 statutes.</li> </ul>
<b>Key results</b>	<ul style="list-style-type: none"> <li>• Response by 156 out of a total of 187 people (Response rate of 80.6%).</li> <li>• Concerns on risk of violation are the same or less compared to the previous year.</li> <li>• Risks are increased compared to the previous year in some questions regarding fair trade.               <ul style="list-style-type: none"> <li>→ It is estimated to be the result of the change in the target, and this will be reflected to the future compliance training implementation plan.</li> </ul> </li> </ul>
<b>Future actions and plans</b>	<ul style="list-style-type: none"> <li>• Improvement of vulnerable areas based on the survey results (reflecting to education contents, intensive inspection during monitoring).</li> <li>• Bolster compliance awareness by utilizing compliance activities and compliance training, etc.</li> <li>• 4~5 laws were added in the second semester along with the 3 main laws to perform the compliance self-assessment once additionally.</li> </ul>

Compliance Self-assessment Result in the Second Semester of 2023 and Future Action Plan	
<b>Targets</b>	<ul style="list-style-type: none"> <li>• Target statutes : 7 key laws (considering regulation trends, possibility of violation, risk, etc.).               <ul style="list-style-type: none"> <li>– Laws on fair trade in general, subcontracting, agency, protection of personal information, prohibition of solicitation, prevention of unfair competition, and capital market.</li> </ul> </li> <li>• Target departments : Departments related to the statutes (including sales offices).</li> </ul>
<b>Method of assessment</b>	<ul style="list-style-type: none"> <li>• Nov. 2-10, 2023, Using the online comprehensive information system.</li> <li>• The level of risk was checked for each of the 118 questions concerning 7 statutes.</li> </ul>
<b>Key results</b>	<ul style="list-style-type: none"> <li>• Response by 324 out of a total of 366 people (Response rate of 88.5%).</li> <li>• Concerns on risk of violation are reduced compared to the previous year.</li> <li>• Risks increased slightly compared to the previous year in some questions regarding the Fair Trade Act and Agency Act.               <ul style="list-style-type: none"> <li>→ It is estimated to be the result of the change in the target, and compliance training and monitoring will be performed in the future.</li> </ul> </li> </ul>
<b>Future actions and plans</b>	<ul style="list-style-type: none"> <li>• Improvement of vulnerable areas based on the survey results (reflecting to education contents, intensive inspection during monitoring).</li> <li>• Bolster compliance awareness by utilizing compliance activities and compliance training, etc.</li> <li>• Reflection of the amendments in the relevant law, and re-performance of supplementary assessment (improvement of questionnaire including cases in the field work, etc.)</li> </ul>

## Fair Competition and Compliance with Statutes

### Operation of Programs for Autonomous Compliance with Fair Trade Laws and Practices

Binggrae introduced the Compliance Program (CP), the internal control system established in 2008 and operated autonomously for complying with laws related to fair trade, with the autonomous compliance manager responsible for practical operation appointed by the BoD to implement the program. We provide our officers and employees with sound standards of conduct by publishing our guidelines on compliance with the fair trade law. We have also made concerted efforts periodically to eradicate practices violating the fair trade law.

#### Binggrae CP Promotion Status – Declaration on the Commitment to Autonomous Compliance by the CEO

Classification	Main Promotion Status
Declaration of the CEO's determination to introduce and enforce autonomous compliance	<ul style="list-style-type: none"> <li>Declaration of the CEO's determination for fair trade autonomous compliance and posting of a written declaration on fair trade practice (Jan. 2019).</li> <li>Emphasis on the determination to comply with fair trade autonomous compliance in the in-house training.</li> </ul>
Designation and operation of 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 replacement of autonomous compliance manager (Jul. 2019).</li> </ul>
Creation and distribution of autonomous compliance manual	<ul style="list-style-type: none"> <li>The guidelines on autonomous compliance with 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 on fair trade autonomous compliance programs was provided 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 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 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 laws	<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.</li> </ul>
Management of documents related to fair trade	
Formation of autonomous compliance council	<ul style="list-style-type: none"> <li>Operation of autonomous compliance council composed of heads of departments related to fair trade.</li> </ul>

#### CP Operational Performance during the Period 2023~2024

<b>Details of operations in the first half of 2023</b>	<ul style="list-style-type: none"> <li>Implementing education on fair trade regulation in the first half</li> <li>Implementing compliance self-diagnosis and reporting the results in the first half</li> <li>Monitoring and reviewing newly enacted/amended statutes related to fair trade</li> <li>Homepage overhaul and update (related to fair trade)</li> </ul>
▼	
<b>Details of operation in the latter half of 2023</b>	<ul style="list-style-type: none"> <li>Implementing education on fair trade regulation</li> <li>Periodic monitoring</li> <li>Monitoring and review of newly enacted/amended statutes related to fair trade</li> <li>Preparation for the renewal of the autonomous compliance program on fair trade</li> </ul>
▼	
<b>Details and plans of operations in the first half of 2024</b>	<ul style="list-style-type: none"> <li>Implemented education on fair trade regulation (Fair Trade Act, etc.)</li> <li>Review of newly enacted/amended statutes related to fair trade (including on-site &amp; compliance self-diagnosis)</li> <li>Periodic monitoring (including on-site and compliance self-diagnosis)</li> <li>Enacting/Amending the self-initiated compliance manual</li> </ul>

## System of Autonomous Compliance with the Fair Trade Law

Binggrae organized the autonomous compliance council and fair trade practice leader for the systematic and effective operation of the autonomous compliance program on fair trade. The autonomous compliance council deliberates on the main issues in the autonomous compliance guidelines, provides advice to the autonomous compliance manager, and performs the role of self-checking the violation of laws in the relevant sector. The fair trade practice leader is selected from among exclusive officers for each department, providing on-site practical support for the autonomous compliance guideline task on fair trade. The fair trade practice leader improves the operation efficiency of the autonomous compliance council and contributes to spreading the mindset of complying with fair trade.

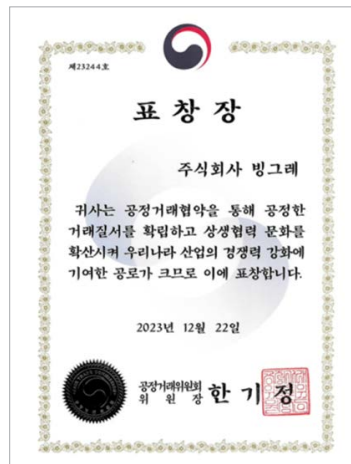
## Checklist for Autonomous Inspection of Fair-trade Compliance

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 fair trade laws, are implemented in advance. As a result of the efforts above, in 2023, we earned the highest commendation from the Fair Trade Commission for three 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 Regulation of Standardized Contracts Act;
  - Violations of the Fair Labeling and Advertisement Act.

Current status of unfair trade practices training for Sales Division employees in 2023

- No. of participants in training : 279
- Training content: Training related to unfair collusion (February, May)



Commendation on the assessment of fair trade agreement performance (Dec. 22, 2023)

## Binggrae's Promises and Commitments

On February 16, 2022, the Fair Trade Commission imposed an administrative penalty of KRW 38.8 billion on Binggrae for its joint determination of ice cream prices and sales terms with its competitors. In principle, the penalty imposed must be paid faithfully, and when there are parts that are difficult to agree on in the contents of the resolution by the fair trade committee afterwards, they shall be investigated diligently through methods such as taking legal action, etc. Following the events above, Binggrae increased the number of compliance and anti-corruption trainings, expanded the assessment on the risk of corruption, and strengthened the periodic audit. Moreover, ISO 37301\* certification was acquired to continue the best efforts for realizing the global-standard level of compliance management and achieving zero corruption.

\* 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.



## 2024 Plans for Promoting Compliance and Ethical Management

Classification	Details
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>
Compliance education	<ul style="list-style-type: none"> <li>• Conduct collective training and written training 10 times.</li> <li>• Learning and growth education provided 2 times (uploaded on Smile-M and company bulletin boards).</li> <li>• Establishment and revision of laws including the compliance policy (ISO-related) and ethical management.</li> <li>• Distribution of compliance support letter every quarter.</li> <li>• Share with internal and external directors centering on legal issues and established and revised matters, etc.</li> </ul>
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 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>
Support for systematization of contracting process (increased provision of standard contract forms)	<ul style="list-style-type: none"> <li>• Support the systematization of contract process in the field by supplementing the establishment and revision of the standard contract.</li> <li>• Target : Agency contract, video contents production agreement, etc.</li> </ul>
Operation of 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 based on 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 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

**96** FINANCIAL PERFORMANCE / **98** STATUS OF PRODUCT AWARD

ACHIEVEMENTS & ASSOCIATION PARTNERSHIPS

**101** UN SDGs INDEX / **102** GRI INDEX

**105** THIRD-PARTY VERIFICATION STATEMENT

**107** GHG VERIFICATION STATEMENT



# FINANCIAL PERFORMANCE

## Consolidated Statement of Comprehensive Income

58th term: Jan. 01 ~ Dec. 31, 2023

57th term: Jan. 01 ~ Dec. 31, 2022

56th term: Jan. 01 ~ Dec. 31, 2021

(Unit : KRW)

	58th Term	57th Term	56th Term
Sales	1,394,316,382,403	1,267,685,822,673	1,147,435,118,625
Sales cost	953,133,610,774	931,974,590,214	845,554,628,861
Gross profit	441,182,771,629	335,711,232,459	301,880,489,764
Sales and administrative expenses	328,937,553,429	296,303,577,191	275,636,570,409
Operating income	112,245,218,200	39,407,655,268	26,243,919,355
Financial earnings	7,092,808,144	5,565,948,896	4,200,626,169
Financial expenses	4,757,115,777	3,872,886,993	821,362,064
Non-operating income	6,972,213,559	1,041,274,916	1,526,757,774
Non-operating expenses	10,596,917,777	5,417,963,431	42,949,425,090
Net profit (loss) before corporate tax expenses	110,956,206,349	36,724,028,656	(11,799,483,856)
Corporate tax expenses	24,737,711,884	11,038,511,448	7,527,631,338
Net profit (loss) from continuing business	86,218,494,465	25,685,517,208	(19,327,115,194)
Net profit (loss) for the current term	86,218,494,465	25,685,517,208	(19,327,115,194)
Other inclusive profit (loss) after deduction of corporate tax	(7,127,224,161)	4,586,197,898	1,818,633,525
Items subsequently not reclassified into net profit (loss)	(7,167,938,382)	4,038,452,382	277,851,005
Other inclusive income or loss - Gains or loss from evaluation of financial assets subject to fair value measurement	(719,716,360)	(1,655,897,192)	7,483,252
Re-measurement factors of fixed benefit system	(6,448,222,022)	5,694,349,574	270,367,753
Items subsequently reclassified into net profit (loss)	40,714,221	547,745,516	1,540,782,520
Translation gains or loss of overseas business	40,714,221	547,745,516	1,540,782,520
Total comprehensive profit or loss	79,091,270,304	30,271,715,106	(17,508,481,669)
Attribution of net profit (loss) for the current term			
Controlling interest	86,218,494,465	25,685,517,208	(19,327,115,194)
Non-controlling interests	0	0	0
Attribution of total inclusive profit or loss			
Controlling interest	79,091,270,304	30,271,715,106	(17,508,481,669)
Non-controlling interests	0	0	0
Earnings per share			
Basic earnings per share (Unit : KRW)	9,751	2,905	(2,186)
Diluted earnings per share (Unit : KRW)	9,751	2,905	(2,186)



## Consolidated Balance Sheet

58th term: As of Dec. 31, 2023

57th term: As of Dec. 31, 2022

56th term: As of Dec. 31, 2021

(Unit : KRW)

	58th Term	57th Term	56th Term
<b>Assets</b>			
Current assets	395,032,407,534	315,267,835,364	313,908,033,967
Cash and cash equivalents	147,882,423,983	79,222,106,523	95,850,338,594
Short-term financial assets	25,325,272,000	13,444,552,000	70,495,000,000
Trade receivables	83,255,432,504	81,103,835,179	59,168,036,948
Inventory assets	126,482,685,523	127,474,596,766	74,374,614,961
Accounts receivable	1,186,731,663	1,925,306,538	1,667,586,376
Accrued income	896,338,864	285,350,880	475,352,087
Advance payment	228,107,053	165,888,698	752,726,299
Prepaid expenses	7,401,949,393	9,033,184,511	10,021,953,625
Corporate tax asset	0	248,380,279	14,892,400
Other current assets	2,373,466,551	2,364,633,990	1,087,532,677
Non-current assets	495,684,852,327	453,998,752,235	446,337,246,604
Long-term financial assets	24,325,921,934	31,564,180,584	31,553,388,925
Tangible assets	353,041,851,895	298,725,571,525	295,488,504,543
Investment real properties	2,168,003,973	2,213,249,253	14,058,405,471
Intangible assets	47,957,691,542	57,227,486,327	64,670,437,641
Right-of-use (license) assets	30,718,804,854	27,217,326,816	12,795,850,120
Rental deposit	16,530,111,895	27,928,443,645	18,857,126,910
Long-term advance payment	1,560,528,047	1,544,764,214	1,684,396,125
Long-term prepaid expenses	457,812,942	227,449,728	356,355,584
Deferred corporate tax assets	11,231,627,111	7,350,280,143	6,872,781,285
Net defined salary assets	7,692,498,134	0	0
Total assets	890,717,259,861	769,266,587,599	760,245,280,571

	58th Term	57th Term	56th Term
<b>Liabilities</b>			
Current liabilities	182,124,833,765	152,445,670,179	160,011,490,125
Trade payable	73,625,552,814	75,898,079,862	55,873,203,364
Accounts payable	42,751,558,997	40,279,852,882	70,680,241,247
Accrued expenses	27,069,580,791	13,985,861,690	13,739,834,547
Short-term borrowings	5,000,000,000	0	0
Short-term corporate tax liabilities	19,858,631,285	7,959,583,288	3,136,012,335
Dividend payable	2,750,870	2,646,800	2,580,660
Current lease liabilities	10,251,368,705	8,527,429,636	7,071,861,241
Other current liabilities	3,565,390,303	5,792,216,021	9,507,756,731
Non-current liabilities	66,994,882,621	41,051,942,749	42,358,009,481
Long-term borrowings	11,370,000,000	0	0
Net defined salary liabilities	14,825,243,864	3,933,286,851	15,565,579,286
Long-term import guarantee money	7,549,981,389	5,899,790,657	6,082,702,351
Long-term expenses payable	7,709,410,545	6,821,976,953	8,325,166,759
Non-current lease liabilities	21,011,339,108	18,722,022,219	5,293,743,175
Other non-current liabilities	609,824,032	0	0
Deferred corporate tax liabilities	3,919,083,683	5,674,866,069	7,090,817,910
Total liabilities	249,119,716,386	193,497,612,928	202,369,499,606
<b>Capital</b>			
Equity investment in controlled companies	641,597,543,475	575,768,974,671	557,875,780,965
Capital (net worth)	49,756,205,000	49,756,205,000	49,756,205,000
Capital surplus	64,768,908,197	64,768,908,197	64,768,908,197
Other capital items	(22,482,303,960)	(22,482,303,960)	(22,482,303,960)
Cumulative total of other comprehensive income/loss	(4,393,206,365)	(3,714,204,226)	(2,606,052,550)
Reserves	485,200,575,965	463,800,575,965	485,500,575,965
Profit surplus (loss)	68,747,364,638	23,639,793,695	(17,061,551,687)
Non-controlling interests	0	0	0
Total capital	641,597,543,475	575,768,974,671	557,875,780,965
Total capital and liabilities	890,717,259,861	769,266,587,599	760,245,280,571

## STATUS OF PRODUCT AWARD ACHIEVEMENTS & ASSOCIATION PARTNERSHIPS

### Particulars of External Awards for Products



### Dairy Product Segment

Awarded product	Name of award	Awarded by	Date awarded
Banana-Flavored milk	Korea Broadcast Ad Promotion Corporation President's Prize, Digital Campaign Sector, A.N.D. Award	DEA	Jan. 2021
Banana-Flavored milk	No. 1 KBPI brand power award in the processed milk sector for 14 consecutive years	KMAC	Mar. 2021
Banana-Flavored milk	Gold Award, GoodWorks-Brands Sector, Effie Awards	Effie Awards	Jul. 2021
Banana-Flavored milk	Silver Award, Brand Experience Sector, Effie Awards	Effie Awards	Jul. 2021
Banana-Flavored milk	Bronze Award, Food Sector, Effie Awards	Effie Awards	Jul. 2021
Banana-Flavored milk	Finalist Award, Branded Contents Sector, Effie Awards	Effie Awards	Jul. 2021
Banana-Flavored milk (Hello Danji-pot)	Award, Best Brand Creator Sector, YouTube Works Awards	YouTube	Nov. 2021
Banana-Flavored milk (Hello Danji-pot)	Bronze prize, Social communication sector, Korea Advertising Awards	KFAA	Dec. 2021
Banana-Flavored milk	No. 1 KBPI brand power award in the processed milk sector for 15 consecutive years	KMAC	Apr. 2022
Banana-Flavored milk (Hello Danji-pot)	Finalist in the 3 sectors of the YouTube Works Awards (Exclusive/Campaign Series/Brand Fandom Sectors)	YouTube	Jan. 2022
Banana-Flavored milk (Hello Danji-pot)	Silver prize, Social communication sector, Korea Advertising Awards	KFAA	Dec. 2022
Banana-Flavored milk	No. 1 KBPI brand power award in the processed milk sector for 16 consecutive years	KMAC	Mar. 2023
Binggrae	Best Marketing of The Year: Company, Effie Awards	Effie Awards	Aug. 2023
Banana-Flavored milk	Best Marketing of The Year: Brand, Effie Awards	Effie Awards	Aug. 2023
Banana-Flavored Almond & Soy Drink	YouTube Works Awards Best Branding: Award in the new launching sector	YouTube	Jan. 2023

### Fermented Milk (Yogurt) Sector

Awarded product	Name of award	Awarded by	Date awarded
Yoplait Topping	Silver prize, Audio sector	KAA	Feb. 2021
Yoplait	No. 1 prize, Thick Yogurt Sector, Brand Power of Korean Industries	KMAC	Mar. 2021
Yoplait	No. 1 prize, Thick Yogurt Sector, Purchase safety index of Korean Industries	KMA	Apr. 2021
Yoplait	No. 1 prize, Thick Yogurt Sector, Brand Power of Korean Industries	KMAC	Apr. 2022
Yoplait	No. 1 prize, Thick Yogurt Sector, Brand Power of Korean Industries	KMAC	Mar. 2023



## Frozen Product Sector

Awarded product	Name of award	Awarded by	Date awarded
Together	Grand Prize, 2021 National Brand	Jungang-Ilbo	Apr. 2021
Clédor Clean Label	2023 Korea Food & Food Tech Awards, Best of 2023, Consumers' Choice	Chosunbiz	Nov. 2023
Together	Silver prize, Audio sector, Korea Advertising Awards	KFAA	Dec. 2023
Together	Silver prize, Online video sector, Korea Advertising Awards	KFAA	Dec. 2023
Together	Silver prize, Branded contents sector, Korea Advertising Awards	KFAA	Dec. 2023

## Room-Temperature Product Sector

Awarded product	Name of award	Awarded by	Date awarded
The:Danbaek	Award, Beverage Sector, 2021 Max Summit Awards	MoviDays	Nov. 2021

## Packaging Sector

Awarded product	Name of award	Awarded by	Date awarded
a Café la coffee	Korea Packaging Technology Chairperson's Prize, Korea Star Awards	Packaging Technology Center, KITECH	2021
Instantly drinkable cap	Korea Packaging Association President's Award, Korea Star Awards	Packaging Technology Center, KITECH	2022
a café la Simply	Won in the Brand & Communication category, Red Dot Awards	Design Center, Nordrhein-Westfalen, 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	KPDA	2021
The:Danbaek	Pack Star Prize	KPDA	2021
Banana-flavored Milk, Strawberry-flavored Milk, Banana-flavored Milk Light, Vanilla-flavored Milk	Pack Star Prize	KPDA	2021
Clédor Cartoning Bar	Pack Star Prize	KPDA	2021
T'aom	Pack Star Prize	KPDA	2021
Clédor Clean Label	Pack Star Prize	KPDA	2021
Yoplait Topping Renewal	Pack Star Prize	KPDA	2021
Clédor	Won in the Brand & Communication category, Red Dot Awards	Design Center, Nordrhein-Westfalen, Germany	2022
T'aom	Won in the Brand & Communication category, Red Dot Awards	Design Center, Nordrhein-Westfalen, Germany	2022

## Memberships

## Memberships

Organization joined	Description of organization
KDIA (Korea Dairy Industries Association)	Founded in 1978 to help develop local dairy industries while mutually promoting the common interests of the member companies.
KFIA (Korea Food Industry Association)	Founded in 1969 to promote public health and enhance the competitiveness of local food industries.
KEF (Korea Enterprises Federation)	Founded in 1970 based on a mission of developing labor-management relations that contribute to industrial peace and win-win prosperity.
KCCI (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 business operators.
OCAP (Organization of Consumer Affairs Professionals in Business)	Founded in 1984 to contribute to the win-win and coexistence of businesses and consumers.
KLCA (Korea Listed Companies Association)	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.
KIRS (Korea IR Service)	Founded in 2009 to realize fair business values and to protect investors.
FKI (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	Goals	Implementation Activities	UN SDGs Goals
Environment <b>E</b>	Eco-Friendly	Environmental management system	6, 7, 13, 15
		Respond to climate change	7, 13
		Circular Economy System	12, 13
		Eco-friendly Supply Chain Management	12, 13
		Establishment of Eco-friendly Business Site	6, 7, 13, 14, 15
Society <b>S</b>	Shard Value	Employee Culture	5
		Employee Training and HR System	4
		Safe Workplace	3
		Realization of Person-centered Enterprise	5, 10
		No. 1 Customer Satisfaction Company	8, 12, 16
		Win-win Cooperation & Supply Chain Management	8, 12
		Social Contribution	1
Governance <b>G</b>	Global Integrity	Transparent Governance and Risk Management	16, 17
		Realization of upright, healthy organizational culture	16

Goal	SDGs	Details 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	Details 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 industrialization 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 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 VERIFICATION STATEMENT

## To the Esteemed Stakeholders of Binggrae

### Introduction

ESG Innovation Network (hereinafter referred to as the “Assurer”) was requested to perform third-party external assurance on the 2024 Binggrae Sustainability Report (hereinafter referred to as the “Report”). The responsibility for all information and statements included in the report lies with Binggrae, which prepared this report. The assurer did not intervene in the process of preparing the report, clarifying that it is responsible only for the assurance opinion on this report.

### Standards

Assurance was performed according to the AA1000AS v3 published by the international assurance standard Account Ability. The application of 4 principles—inclusivity, materiality, responsiveness, and impact—was evaluated, and 「Type 2」 evaluating the robustness of the information collection procedure and system and reliability and quality of the disclosed information and 「Moderate」 level based on the grounds collected limitedly were applied. In addition, international standards related to the report such as the GRI Standards (2021) and social responsibility guideline of ISO 26000 were referred to in the assurance process.

### Scope

As an independent assurance agency, the assurer strictly followed the procedures and guidelines of the assurance standard, and the scope of assurance is as shown below.

- Robustness of the process and management system for information collection, analysis, and review
- Reliability and quality of the disclosed information
- Reference of the report standard, GRI Standards (2021)
- Application of the 4 main principles of the assurance standard: inclusivity, materiality, responsiveness, and impact

### Methods

The assurer performed the assurance through the following methods:

- Review of various evidentiary materials and documents
- Review of data & information collection, accumulation, analysis & review system
- Company visit and interview with the team preparing the report

### Conclusion

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

- The assurer judges that Binggrae has established the appropriate system for collecting, accumulating, analyzing, and reviewing the data and information..
- The assurer judges that the information and data described in the report are reliable, and that they have no critical errors or bias.
- The assurer judges that the report complies with the requirements on the report principles, mandatory disclosure items, GRI Content Index, etc. by referring to the GRI Standards (2021).
- Inclusivity refers to identifying the key stakeholders and having the stakeholders participate actively in the process of selecting and responding to the major issues of ESG by the organization. Binggrae identified the key stakeholders such as customers, employees, shareholders, community, partners, etc., and operated various participatory programs for these key stakeholders. Therefore, the assurer judges that the report applied the principle of inclusivity in the assurance standard appropriately.

- Materiality refers to considering the impact on the organization and society to identify the most important ESG issues, and setting the ESG issues according to priority. Binggrae performed the double materiality assessment of considering both organizational impact (financial materiality) and environmental & social impact (impact materiality) to derive major issues such as recycling and waste management, securing food safety and increase in eco-friendly products and services, etc. Accordingly, the assurer judges that the relevant report applied the principle of materiality in the assurance standard appropriately.
- Responsiveness refers to the appropriate response by the organization to major ESG issues. Binggrae appropriately reflected the major ESG issues to the organizational strategies and activities, and appropriately responded to requests by the stakeholders. Accordingly, the assurer judges that the relevant report applied the principle of responsiveness in the assurance standard appropriately.
- Impact refers to effect of the organizational activities and performances on the economy, environment, and society. Binggrae identifies and evaluates these impacts systematically, and impact determined for each issue is disclosed through the report. Therefore, the assurer judges that the relevant report applied the principle of impact in the assurance standard appropriately.

## Recommendations

The following recommendations are presented to the extent that they do not affect the validation results of the assurance provider: The assurer recommends clearly indicating in the report the ESG strategy system composed of the mid- to long-term roadmap, strategic goals & tasks, implementation tasks and performance indicators, and communicating more transparently with the stakeholders on the ESG strategies.

## Competence and Independence

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

June 2024

ESG Assurance Chairman **Lee Hyun** *HyunLee*



**ESG혁신네트워크**  
ESG Innovation Network



**AA1000**  
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000-706/V3-N1GG5



# GHG VERIFICATION STATEMENT

## INDEPENDENT VERIFICATION STATEMENT

### Binggrae Co., Ltd.

The Korea Management Registrar Inc. (hereinafter “KMR”) has conducted the verification on the greenhouse gas (hereinafter “GHG”) emission (Scope 1, 2) of Binggrae’s (hereinafter “the Company”) in 2023.

### Scope

Verification of all places of business and emission facilities under the control of the company.

### Standards

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories
- Operational Guidelines for Reporting and Certification of Emissions in the GHG Emission Trading Scheme
- Verification Guidelines for GHG Emissions Trading Scheme Operation
- Guidelines for GHG Target Management Scheme Operation

### Procedure

We conducted a risk analysis approach and on-site verification based on data evaluation, and we identified the appropriateness of the data and factors applied to GHG emission calculations based on objective evidence. The verification team verified the GHG emissions during the reporting period in a reasonable way based on the verification guidelines.

### Independent

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review

### Limitations

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

### Opinion

- GHG verification has been performed to meet the reasonable assurance level according to the verification standards.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated. As a result, we express an “unmodified” opinion.
- Criticality: meets the criterion, which is less than 5%
- GHGs Emission(All places)

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

GHGs Emission	Direct emission (Scope1)	Indirect emission (Scope2)	Total (tCO <sub>2</sub> -eq)
2023	16,254	41,035	57,280

Energy Consumption	Fuel	Electricity	Steam	Total (TJ)
2023	301	857	–	1,151

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

### Results

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

March 12, 2024



*Binggrae*



**Viva Korean Independence,  
Viva Our Independence**  
Adolescent, Joe Yeon-seo  
The 36th Children's Drawing Festival  
Gold Award