

2022 Pulmuone Integrated Report



Pulmuone
Integrated Report

About this Report



This report is a comprehensive compilation of Pulmuone's financial performance and CSR (Corporate Social Responsibilities) activities during the reporting period. We have strived to report our value-creating activities, financial and non-financial outcomes, and performances in each area of ESG (Environmental, Social, Governance) management from a balanced perspective in terms of the company's social responsibilities related to stakeholders including customers, shareholders, local communities, suppliers, and company members.

Principles and Standards

This report was prepared based on the framework of the International Integrated Reporting Council (IIRC) in accordance with the Global Reporting Initiative (GRI) Standards. In addition, it covers Pulmuone's business activities by the United Nations Sustainable Development Goals (UN SDGs), indices pursuant to the recommendation of TCFD (Task Force on Climate-Related Financial Disclosures), the global disclosure standards for non-financial reporting requirements, and SASB (Sustainability Accounting Standards Board) standards. The financial data in this report is presented in accordance with the standards of the Korean version of the International Financial Reporting Standards (K-IFRS) for consolidated financial statements.

Reporting Scope and Targets

The scope of this report includes Pulmuone Corporate and its 31 consolidated subsidiaries, including both domestic and overseas business operations. Any discrepancies in the scope have been annotated.

Reporting Period and Cycle

This report covers data for the fiscal year from January 1, 2022 to December 31, 2022. Key quantitative data is presented to show the trends over the past three years, including the previous two years. In order to provide information in a timely manner,

only significant activities and progress up to June 2023 are included. Pulmuone Corporate has published this report every year since 2006.

Third-party Assurance of the Report

In order to ensure that the contents of the report are objective, fair, and reliable, we commissioned the KMR (Korea Management Registrar) to provide the assurance of the reliability of the report. The assurance statement can be found on Page 110 of this report.



※ Contact Information








For any questions or feedback you may have regarding this report, please contact us using the contact information below.

- E-mail : esg@pulmuone.com
- Tel : +82.2.2040.4400
- (06367) ESG Management Team, TISO Office, Pulmuone, 280, Gwangpyeong-ro, Gangnam-gu, Seoul

Contents

Interactive User Guide

The 2022 Pulmuone Integrated Report has been prepared in an interactive PDF format to make it more accessible for stakeholders. Click the icons to navigate and search for details within the report, open linked webpages, watch videos, and more.

-  Contents: Go to the Contents page
-  Previous Page
-  Next Page
-  Search
-  Link: Go to an external page (e.g., Pulmuone Corporate website)
-  Additional Info:
View additional information (e.g., notes)
-  Video: Watch related videos

About this Report 02

part.1 About Pulmuone

CEO Message	06
Pulmuone Corporate	08
Materiality Assessment	18

part.2 2022 Key Topic

Topic 1. Sustainable Foods	22
Topic 2. Human Rights Management	25
Topic 3. Safety and Health in the Workplace	29

part.3 Pulmuone with ESG

Special: Digital Transformation(DX)	34
Pulmuone Spirit & ESG Management	36
Environmental Management	41
Social Responsibility Management	52
Governance	69
Risk Management	76
Corporate Ethics	79

part.4 Appendix

Performance	86
Fact Book	102



About Pulmuone

나를 위해, 지구를 위해.



To Create Healthy Tomorrow for the People and Planet with **Wholesome Foods**

Part 1 **About Pulmuone**

- **CEO Message**
- **Pulmuone Corporate**
 - About Pulmuone
 - Company Profile
 - Meaning behind Pulmuone
 - 2022 Financial Status
 - Mission & Value Statements
 - CSR in the Articles of Incorporation
 - CSR Management
 - Principles of Wholesome Foods
 - Path of Growth
 - Global Network
 - Key Areas of Business
- **Selection of Material Topics**
 - Materiality Assessment



CEO Message

Pulmuone, paving
the way for a
sustainable future

Message
From the CEO



Dear Stakeholders,

It gives me great pleasure to present the 2022 Pulmuone Integrated Report.

This is our 16th report since the publication of the first sustainability report in 2006. We have highlighted our progress toward achieving both financial and non-financial goals, and provided clear insight into our ESG performance for our customers, shareholders, local communities, suppliers, and employees.

The report is divided into three sections: a corporate introduction to Pulmuone, "2022 Key Topic," and "Pulmuone with ESG." In the "2022 Key Topic" section, we covered three areas: "Sustainable Food," "Respect for Human Rights," and "Safe and Healthy Workplace." Pulmuone's DX (digital transformation) strategy and commitments to ESG value creation are presented in the "Pulmuone with ESG" section. I hope this integrated report provides a comprehensive perspective on what we have achieved in the past year and what lies ahead as we move toward a sustainable future.

Dear Stakeholders,

Despite the global economic downturn, we achieved KRW 2.8383 trillion in sales and continued to grow in major global markets such as the U.S., China, and Japan, as well as in the domestic market, while overcoming challenges and globally expanding our ESG philosophy. In recognition of our efforts, we were awarded an A rating for ESG by MSCI (Morgan Stanley Capital International) and named the "Most Respected Company in Korea" for the 17th consecutive year. We believe this is the valuable outcome of our commitment to both social responsibility and fiduciary duties as a corporate citizen in the global community.

Dear Stakeholders,

We understand that this year will be another challenging one for us, but we will strive to create the momentum for sustainable growth to achieve profitable sales of KRW 3 trillion for the first time based on our new value system and articles of incorporation. Together with restructuring unprofitable businesses, products, channels, and services, we will dramatically expand the supply chain and infrastructure, and drive innovation to further enhance the plant-based product portfolio and the animal welfare initiatives, contributing to the profitable sales growth as our top priority. In the global markets, we aim to turn around our businesses in the U.S., China, and Japan based on our investment master plan, while expanding our presence in Southeast Asia, Canada, and Europe.

To remain agile and adapt to digital transformation (DX) and Industry 4.0, we are driving digital and process innovation, and leading the transformation to open a new era of the global food industry.

By focusing on ESG under the mission of "creating healthy tomorrow for the people and planet with wholesome foods," we will continue to work toward becoming the No. 1 wholesome food brand and global ESG leader.

We would appreciate your continued interest and support as we pave the way toward a sustainable future for people around the world.

Thank you.

July 2023

Lee Hyo-yul

General CEO of Pulmuone Corporate



Pulmuone Corporate

About Pulmuone

- ▶ Pulmuone is a leading Korean provider of fresh wholesome foods, especially tofu and beverages, and operates sustainable food businesses in a wide range of fields, including healthy functional food, school meal service, concession facilities, eco-friendly food distribution, spring drinking water, and fermented dairy products. Starting from its establishment in the U.S. in 1991, as well as in Korea, Pulmuone has advanced to other overseas markets, including China in 2010, Japan in 2014, and Vietnam in 2019.

Company name	Korean : (주)풀무원 English : Pulmuone Corporate
Headquarter location	730-27, Samyang-ro, Daeso-myeon, Eumseong-gun, Chungcheongbuk-do
Business site	280, Gwangpyeong-ro, Gangnam-gu, Seoul
Date of foundation	May 31, 1984
Number of subsidiaries	31 companies(0 listed company, 31 unlisted companies / based on the 2022 Business Report) * Excluding the holding company, 100% owned by Pulmuone Food and Culture Co. Ltd. as of 2022 Established Pulmuone Together as a subsidiary
CEO	Lee Hyo-yul
Win-win growth index	"Excellent"(Pulmuone Foods)
Key business locations	South Korea, U.S., Japan, China, Vietnam
Website	www.pulmuone.co.kr

Meaning behind Pulmuone

"Pulmu" is a tool that blows air into a forge in a blacksmith's workshop. Aged tools are given new life as they are heated and forged during the process. The late Director Won Kyung-sun came up with the name "Pulmuone," in the hope that his farm could breathe new lives into people, just like "Pulmu." Pulmuone blows the bellows that take care not only of us and our families, but also of the health of our planet.

Symbol

The symbol of Pulmuone visualizes a harmonious life of people and nature that represents the company's aim to "create healthy tomorrow for the people and planet with wholesome foods." The rhythmic curve with slightly raised ends symbolizes a healthy smile of nature and people, as well as "One Big Bowl Full of Nature."



Logotype

Flexible, friendly, natural, and pleasant Pulmuone. The letter shape with serifs gives the feeling of refined, friendly handwriting. It expresses Pulmuone's wish to take a step closer to its customers to deliver what they want from their perspectives.

2022 Financial Status

(as of December 31, 2022, consolidated financial statement)

Total assets : **KRW 2,049,217,755,236**

Credit ratings :

- Pulmuone Corporate : Korea Investors Service **BBB+** /

NICE Investors Service **BBB+**

- Pulmuone Foods : Korea Investors Service **A-** /

NICE Investors Service **A-**

Sales : **KRW 2,838,303,860,365**

Operating profit : **KRW 26,331,500,743**

Net profit of current period : **KRW -36,967,492,015**

R&D investment : **KRW 27.6 billion (1.00% of sales)**

Mission & Value Statements

Based on our corporate spirit, "Love for Our Neighbors, Respect for Life," in May 2022, Pulmuone established a new corporate value statement that defines our mission, core strategies, and core values. Our mission is "To Create Healthy Tomorrow for the People and Planet with Wholesome Foods." We promote "Plant Forward," "Animal Welfare," "Healthy Experience," and "Eco-Caring" as our core strategies to achieve our mission. In order to put our strategies into practice, everyone at Pulmuone values "Trust" to keep promises to customers, "Passion" to continue to challenge and innovate, and "Excellence" to create differentiated results.



Pulmuone's Value System



CSR in the Articles of Incorporation

In March 2019, Pulmuone specified its economic, social, and environmental values in its Articles of Incorporation, which is unprecedented for a for-profit company. This serves as the foundation for a corporate commitment that will not change over time or with a change of CEO. In March 2022, the Preamble to the Articles of Incorporation was updated to include the company's founding philosophy and mission, customer value creation, and ways of working in a narrative format, and to define the value orientation for key stakeholder groups: customers, employees, suppliers, local communities, shareholders, and the environment.

※ [Click here to view the Pulmuone Articles of Incorporation](#)

From the Pulmuone Articles of Incorporation

First

We put the health and happiness of our customers as our top priority and provide the best products and services.

Second

We protect human rights and promote diversity in the workplace. Furthermore, We provide equal opportunities and invest in and support the growth of our employees.

Third

We promote fair trade and ethical practices and mutual growth with our suppliers and partners.

Fourth

We lead social contribution activities to support our local communities.

Fifth

We enhance our corporate value and provide sustainable benefits to our shareholders through rational and transparent business management.

Sixth

We ensure that our processes and outcomes are designed to protect the environment.


Pulmuone

Pulmuone's TISO Charter

We pledge to adhere to the following principles to create economic, social and environmental values.

Trusted by customers

We innovate corporate business management by pursuing the health and happiness of customers as our top priority. We listen to our customers to provide products and services that enhance their satisfaction.

Appealing to shareholders

We oppose all forms of corruption and disclose the business management information in a transparent manner under reasonable governance. We comply with laws and regulations and increase our corporate value to provide shareholders with sustainable benefits.

Loved by local communities

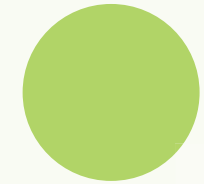
We use resources efficiently and protect the environment throughout the entire process from sourcing to manufacturing, sales and disposal. We take the initiative in philanthropic activities for the sustainable growth of local communities.

Working with suppliers

We trade with suppliers on an equal footing in a fair manner as our companion that jointly pursues LOHAS values. We support suppliers to strengthen their competitiveness and cooperate with them for mutual growth.

Keeping our employees happy

We protect human rights, respect diversity, and provide fair opportunities to support the growth of employees. We ensure the safety and health of our employees and support them to improve work-life balance.



Principles of Wholesome Foods

Pulmuone conforms to its own standards for wholesome foods for the health and happiness of our families, which are more stringent than the relevant government regulations. In addition, we provide transparent information on all processes from manufacturing to distribution, so that anyone can understand what ingredients and methods were used in the production stage.

Principles of Wholesome Foods for Me and the Planet

1. Nutrition Balance

We provide products with a balanced nutrition and diet.

2. Eco-Caring

We comply with eco-friendly design of manufacturing processes and facilities, as well as packaging principles.

3. Clean Label

We ensure strict compliance and transparency, observing “Clean Label” standard, when it comes to ingredients and additives.

With the “Clean Label,” Pulmuone takes a step forward in the wholesome food industry. It is a standard for ingredients and additives we use in our products, and food companies around the world are trying to apply the system to disclose and to minimize additives and processing. We are committed to leading the wholesome food industry based on the following principles.

First, we use only ingredients and additives carefully selected based on rigorous principles and standards.

Strict internal standards along with the Pulmuone NO-NO List have been established to prevent the use of 115 types of harmful substances including synthetic preservatives, synthetic sweeteners, synthetic antioxidants, colorants, and bleaching agents.

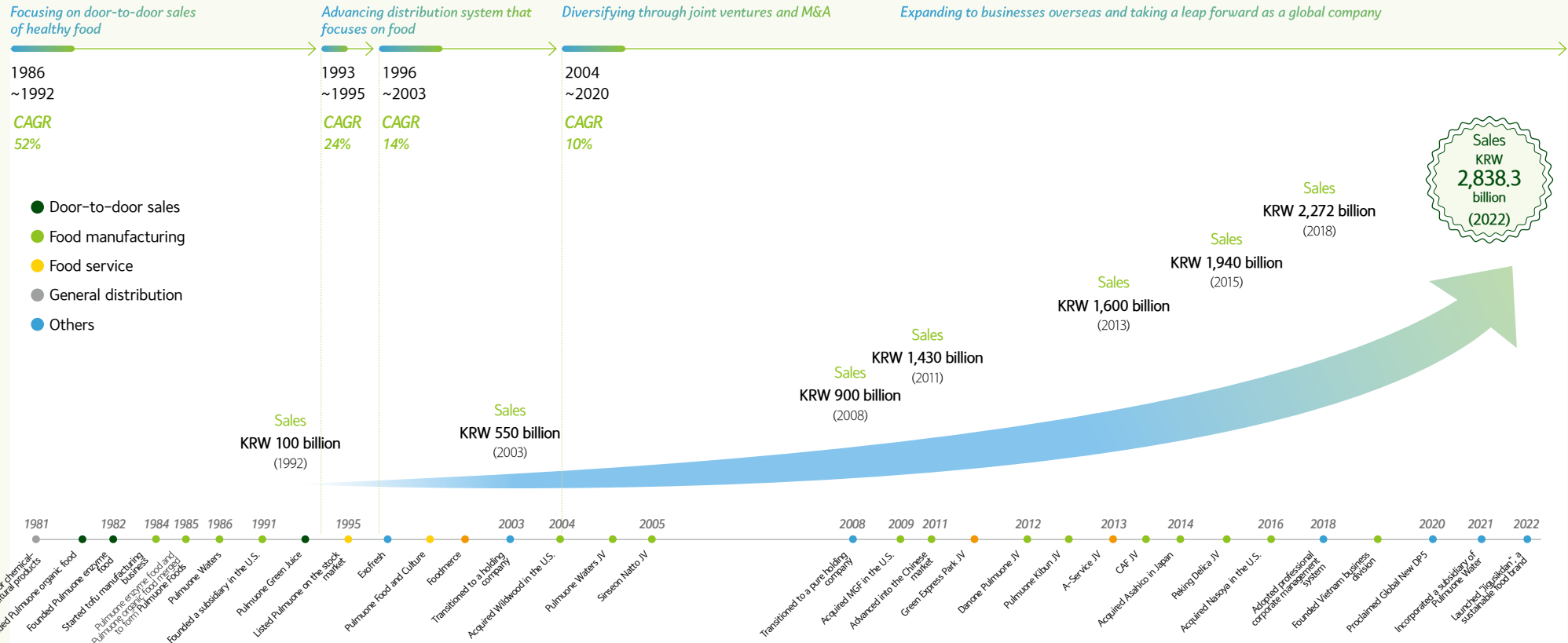
Second, we provide full disclosure of our ingredients and additives.

The ingredients and additives listed on product labels are often compressed. We understand our obligation to provide correct information about the food we supply, and our customers have the right to make informed choices, so we have established a system* that allows consumers to check the details of ingredients and additives used in our products on our website.

* Scheduled to launch in Q3 2023.


Path of Growth

In 2022, Pulmuone reached annual sales of more than KRW 2,838.3 billion (consolidated) with its products and services that embody the values of "Safety," "Trust," and "Health" in line with our principles of wholesome food.



Global Network

Since its initial entry into the global market with the establishment of a U.S. subsidiary in 1991, Pulmuone has established overseas subsidiaries in China, Japan, and Vietnam, expanding its global presence. Based on these global outposts, we set the principles and standards of wholesome foods, leading the paradigm of the food industry, and driving innovation to ensure that our plant-based protein and HMR (Home Meal Replacement) businesses lead to meaningful growth in demand. We are localizing our strategies by analyzing the food culture of each country in the alternative meat sector.

SOUTH KOREA  Pulmuone operates in the sectors of fresh food and beverages, health functional foods, food service and concession, sustainable food distribution, drinking water, and fermented dairy product. Our major domestic business sites include the following:

Pulmuone Business Sites		Category	Subcategory
Pulmuone Foods	Eumsung Tofu Plant	Production	Tofu
	PPEC Chuncheon		Ice/tofu
	PPEC Uiryeong		Tofu
	PPEC Eumsung Fresh Noodle		Fresh noodle, ramen, RM
	PPEC Eumsung Sprout		Vegetables
	PPEC Global Kimchi		Kimchi
	Sinseon Natto		Natto
	Pulmuone Kibun		Fish cake
	Pulmuone Green Juice		Foods and beverages (green juices)
	Exofresh Logistics		Logistics
	Foodmerce	Fresh foods, beverages	
	PTA Agricultural Union Corporation	Others	Salad
	GAP Center		Management of agricultural products
Pulmuone Health & Living	Production	Health functional food	
Pulmuone Waters	Production	Beverages	
Danone Pulmuone	Production, R&D	Fermented milk	
Pulmuone Together	Production	Ice packs, etc.	
LOHAS Academy	Others	Education	
Others	Corporate Technology Office	R&D	R&D
	Museum Kimchigan	Others	Museum

※ Excluding office Sites



Pulmuone Corporate Technology Office

The Corporate Technology Office develops fresh and safe new products in compliance with the company's principle of wholesome foods, using safe ingredients and healthy materials for balanced nutrition. In addition, the office introduces advanced food processing technologies, explores natural ingredients, and plays the role of maintaining food safety and quality control to achieve the best quality consumer satisfaction both at home and abroad.



LOHAS Academy

LOHAS Academy is a place for learning where one can participate in the habit training program to learn and practice the LOHAS values. It is a healthy and educational place in nature that promotes sustainable growth, and it helps employees learn and understand the company's mission. The training course focuses on five habits (dietary, body, mind, environmental, and learning habits) to promote Pulmuone's mission, core strategy, and values.



Museum Kimchigan

Pulmuone acquired "Museum Kimchigan," the first kimchi museum, in 1987 to promote one of the most popular traditional Korean foods to both Koreans and foreigners by providing lively interactive exhibitions and various experiential programs.

U.S.



Pulmuone established a local subsidiary, Pulmuone USA, Inc., in Los Angeles in 1991 and acquired Nasoya, the No. 1 tofu brand in the U.S., from VitaSoy in 2016 to step up as a leading tofu brand in North America. Since then, the business has grown through the launch of Plantspired, a brand specializing in plant-based foods, and it has entered all 200 stores of WaBa Grill, an American wellness restaurant chain. It is also expanding its business in the refrigerated dumpling, Asian meal kit, and sauce markets.

Japan



Established in 2014 by acquiring Japan's No. 1 and No. 4 tofu companies, Asahico is Pulmuone's local subsidiary in Japan, and targeting the plant-based protein market by combining the technologies from both countries. In November 2020, the newly launched "Tofu Bar" was named "CVS (Convenience Store) Best Hit Product of 2021"* just over a year after its launch. Tofu Bar is a stick-shaped tofu containing 2.7 times more protein than Kinugoshi tofu.** By identifying local consumer trends for healthy snacks, the company has sold over 10 million units in just over a year since its launch, despite being sold exclusively in certain stores. Asahico plans to add two more lines at local production facilities and expand sales channels to promote plant-based foods, including tofu bars.

* Source: Nikkei Trend, Japan's leading business magazine / ** Tofu cut after hardening the high-concentration soymilk

China



In 2010, Pulmuone Food was founded in Beijing and Shanghai followed by Pulmuone Health & Living in Chongqing in 2013, expanding its presence in China. In 2022, KRW 30 billion was invested to build Beijing Plant #2, which is 1.5 times the size of Beijing Plant #1. Equipped with eco-friendly facilities and cutting-edge processes, the new plant has increased annual tofu production by eight times. The second plant produces packaged and processed tofu, as well as plant-based protein drinks, while the first plant is dedicated exclusively to fresh HMR, accelerating the expansion of the fresh convenience food market in China.

Vietnam

































Following the United States, China, and Japan, Pulmuone selected Vietnam as its base for overseas expansion and completed the incorporation of a local subsidiary in December 2019. Currently, Pulmuone Zone is in operation to sell products to large distribution channels in Vietnam, including Lotte Mart, and plans to establish itself as a premium food brand in the market.



Businesses & Brands

Pulmuone's business, starting with wholesome food products, is now expanding beyond dietary habits and culture to the lifestyle and well-being area.

Classification	Mata Brand	Corporate Information	Business Models	Master, Product Brand, Store Brand
Pulmuone Foods	 Pulmuone 풀무원식품	Pulmuone's representative company specializing in the fresh food and beverage business	Manufactures and sells tofu, vegetables, raw noodles and frozen rice, provides logistics services for cold, frozen and room- temperature storage, and delivers personalized diet subscription service	     
Pulmuone Health & Living	 Pulmuone 풀무원건강생활	A business that provides solutions for customers' healthy lives and sustainable values	Health functional food, skin care products	   
Pulmuone Food & Culture	 Pulmuone 풀무원푸드앤컬처	A business that provides healthy experiences of daily life through sustainable healthy eating and realization of diverse and happy cultural spaces	Provides food services at school, expressway rest areas and concession facilities, and healthy daily life experiences in cultural spaces	        
Pulmuone Waters	 Pulmuone 풀무원샘물	No. 1 in the global drinking water market, a drinking water company established by a joint venture between Nestle Waters and Pulmuone	Manufactures and sells drinking water products, sells deep-sea mineral water and soft drinks	   
Pulmuone Green Juice	 Pulmuone 풀무원녹즙	A manufacturer and seller of natural green vegetable juice that delivers nutrients from fresh fruits and vegetables to customers	Manufactures and sells functional beverages	 



Classification	Mata Brand	Corporate Information	Business Models	Master, Product Brand, Store Brand
Danone Pulmuone		A specialized yogurt company established by the joint venture between Danone, the No. 1 company in the field of fermented dairy products, and Pulmuone	Manufactures and sells fermented dairy products	
Pulmuone Foodmerce		A company specializing in providing food brand tailor-made to customers' life cycles and total food materials	Supplies food ingredients to meal services, restaurants and raw material markets	
USA Pulmuone U.S.A.		A general food company that produces and sells tofu, soybean, processed food, pasta, sauce, and ready-to-bake products	Manufactures and sells tofu, kimchi, meat alternatives, chilled/frozen pastas, sauces, etc.	
Pulmuone Foods (China)		A general food company that retails fresh refrigerated foods such as soybean foods, noodles, home meal replacements (HMRs), etc., and room-temperature health-oriented foods such as beverages and snacks throughout China	Manufactures and sells various food products such as noodles, rice cakes, kimchi, frozen dumpling, tofu, etc.	
Asahico		A fresh food specialist company with the best tofu and fried tofu manufacturing technology in Japan	Manufactures and sells tofu and fried tofu products	

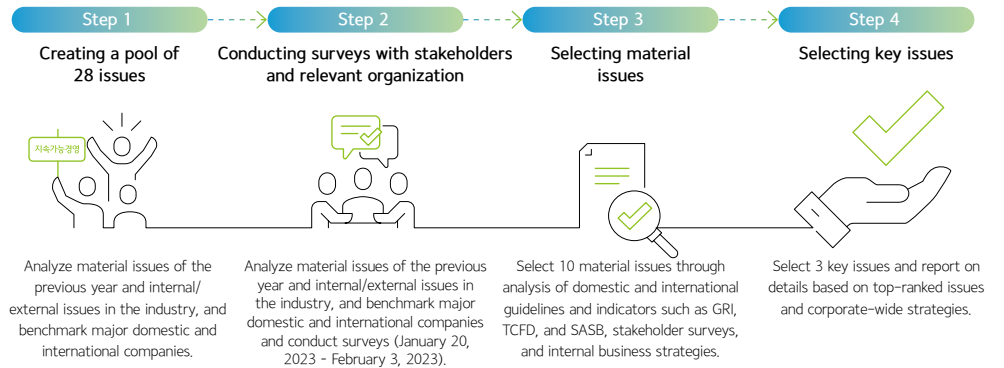
Materiality Assessment

In accordance with the principle of materiality provided by GRI (Global Reporting Initiative), a global sustainability disclosure guideline, Pulmuone selects material issues based on its annual double materiality assessment. The social and environmental impacts of our business operation are considered from an inside-out perspective (customers, shareholders, academics and experts, local communities, suppliers, and employees) and the financial impacts and risks that external factors may have on our business activities are considered from an outside-in perspective. As a result, three material issues have been selected: Sustainable Foods, Human Rights Management, and Safety and Health in the Workplace. Material Issues have been approved by the Board of Directors.

ISSUE Pool

No.	Issue	Finance	Society/Environment	Page
1	Key issue Sustainable Foods	●	●	22-24
2	Key issue Human rights management	●	●	25-28
3	Key issue Safety and health in the workplace	●	●	29-31
4	Material issue Health of customers, quality and safety	●	●	58-60
5	Material issue Response to climate change	●	●	45-47
6	Material issue Circular economy	●	●	48-50
7	Material issue Sustainable supply chain management	●	●	63-65
8	Material issue Responsible raw material management	●	●	63-64
9	Material issue Digital transformation	●	●	34-35
10	Material issue Sustainable packaging	●	●	49
11	Sustainable use of water	●	●	50
12	Corporate-wide financial/non-financial risk management	●	●	76-78
13	Expertise, transparency, diversity and independence of the BOD	●	●	72-73
14	Communication of non-financial performance	●	●	86-97

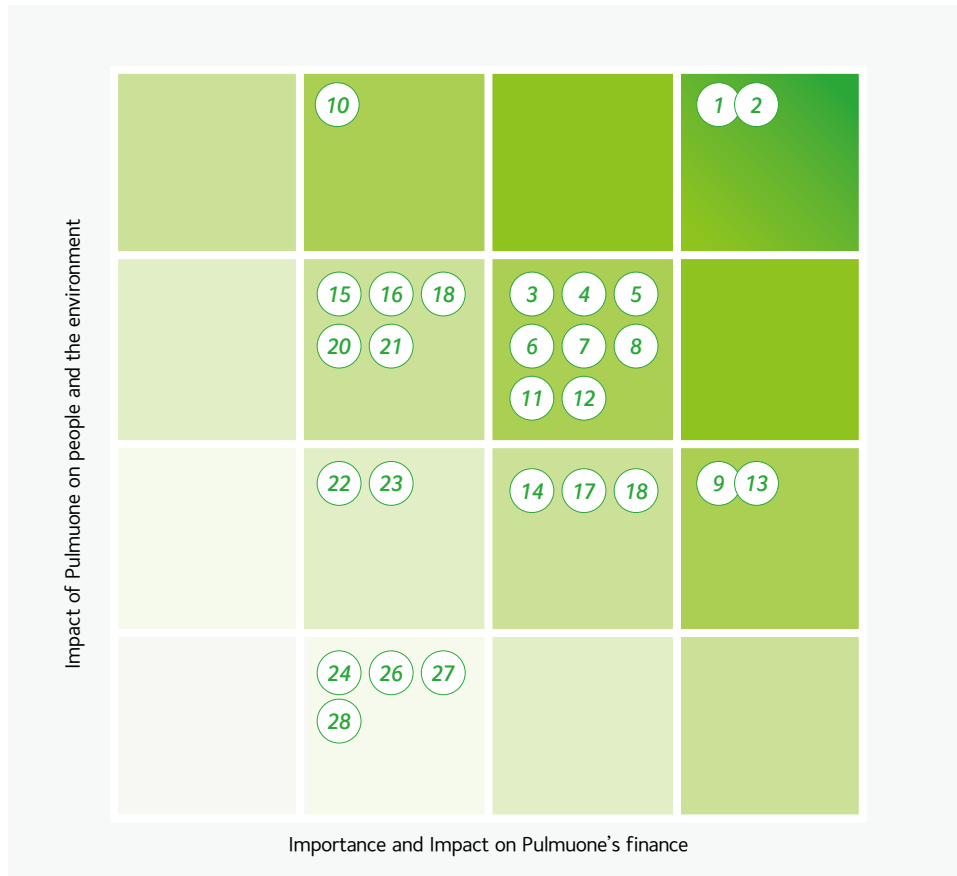
Material Issue Selection Process



No.	Issue	Finance	Society/Environment	Page
15	ESG management and win-win growth with suppliers	●	●	63-66
16	Anti-corruption, ethics, and compliance	●	●	79-83
17	Work environment and organizational culture	●	●	54-56
18	Social value creation (e.g., local community, IBM)	●	●	67-68
19	Information security and privacy	●	●	62
20	Biodiversity	●	●	51
21	Hazardous chemical management	●	●	51
22	Talent development	●	●	52-53
23	Labor-management relationships	●	●	57
24	Communication with customers	●	●	61
25	Global competitiveness	●	●	15
26	Advanced governance (led by the holding company)	●	●	69
27	Shareholder-friendly management	●	●	75
28	Talent acquisition and retention	●	●	53

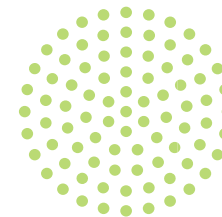
※ Level of impact ● Top ● High ● Medium ● Low

Materiality Assessment



Key and Material Issues by Stakeholder Group

1	Sustainable Foods	customers, suppliers, environment, shareholders, and employees
2	Human rights management	customers, suppliers, environment, shareholders, and employees
3	Safety and health in the workplace	suppliers, local community, and shareholders
4	Health of customers, quality and safety	customers, suppliers, and shareholders
5	Response to climate change	customers, environment, and shareholders
6	Circular economy	suppliers, local community, environment, and shareholders
7	Sustainable supply chain management	suppliers and local community
8	Responsible raw material management	customers, suppliers, and shareholders
9	Digital transformation	customers, suppliers, and shareholders
10	Sustainable packaging	customers, environment, and shareholders



Part 2 2022 Key Topic

- Topic 1. Sustainable Foods
- Topic 2. Human Rights Management
- Topic 3. Safety and Health in the Workplace



Topic 1 Sustainable Foods

Why It Matters

Global sustainable food market forecast

- ▶ The global sustainable food trend is driving the growth of the alternative food and meat substitutes markets. The share of plant-based meat substitutes is expected to grow to 79% by 2025.

Domestic meat substitute market forecast

- ▶ In South Korea, the market for plant-based meat substitute for reducing GHG emissions is expected to grow along with the expansion of the value consumption trend as consumers continue their meat-oriented consumption.

Efforts to reduce GHG emissions in the food industry

- ▶ FAO (Food and Agriculture Organization of the United Nations) * and governments (2050 Carbon Neutrality and Green Commission) are calling for the reduction of GHG emissions across the manufacturing, distribution, and production systems in the food industry.

Major progress in 2022 and plans for 2023

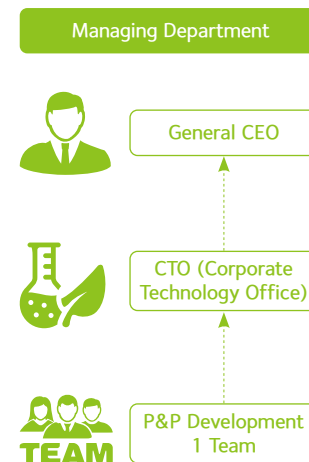
- ▶ Goal: increase the share of sustainable food
 - Progress in 2022: **52%**
 - Plan for 2023: **54%**

Policies & Strategies

Policies on sustainable wholesome food : Pulmuone is committed to creating wholesome foods for the people and the planet. Based on our corporate spirit, "Love for Our Neighbors, Respect for Life," we are developing wholesome foods, going beyond the standards for safe and trusted food to offer sustainable food that is good for our bodies and the environment. The goal is to use more plant-based ingredients and, for animal-based ingredients, to increase the use of certified (animal welfare, ASC/MSC, etc.) ingredients with sustainable attributes. Plant-based foods provide nutrients that support our health and make the planet more sustainable, while improving animal welfare to provide safe animal products and protect the environment.

Strategies on sustainable foods : Sustainable foods have been introduced to consumers under the Pulmuone Jigusikdan brand. We are expanding our product offerings with its sub-brands, "Plant-based Jigusikdan," which uses only plant-based ingredients, and "Animal Welfare Jigusikdan," which uses mainly animal welfare ingredients. In line with the technology and sustainable food standards, we developed plant-based meat substitutes, tofu noodles, animal welfare nuggets, and sous vide chicken breasts, and expanded the Jigusikdan product lineups to include fried rice, dumplings, tofu noodles, and sauces for rice bowls. The brand focuses on creating nutritious and healthy flavors and textures to appeal to a wide range of consumers, from vegans to flexitarians, and the younger generations that sees values in maintaining a healthy diet. Our specialized healthy menu consisting of Jigusikdan products has been welcomed with great enthusiasm, and we plan to raise awareness and make it more accessible for consumers.

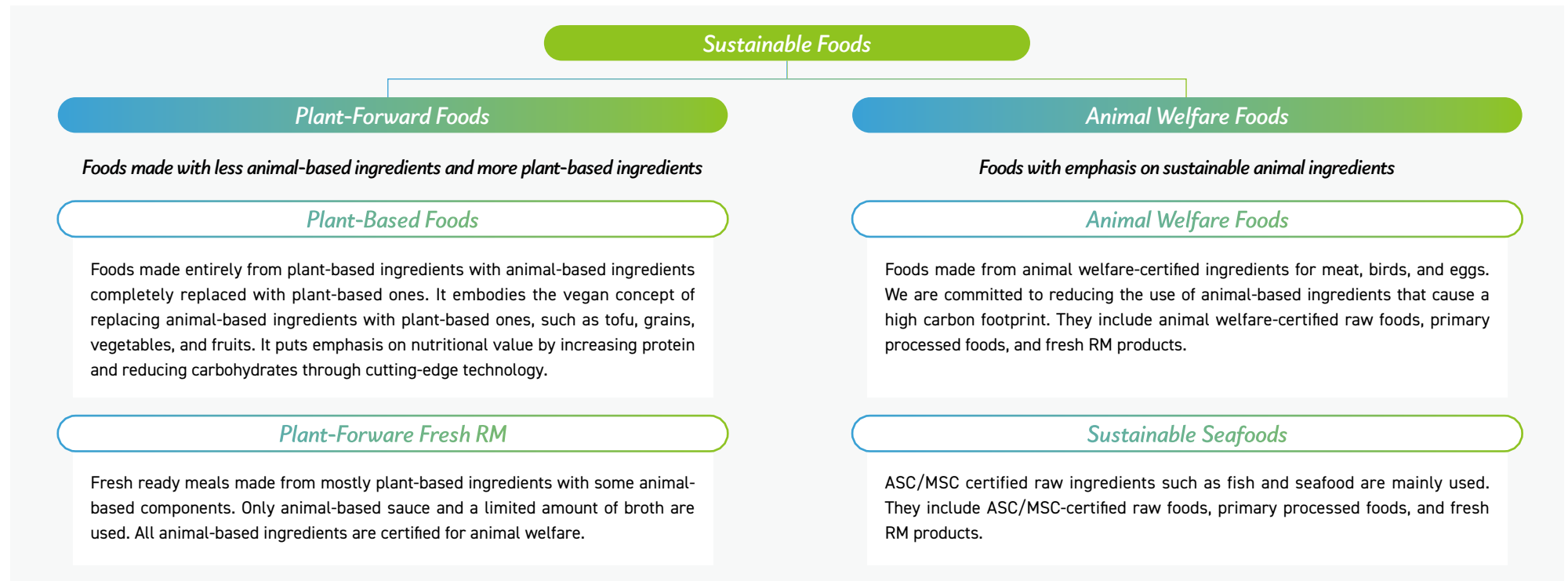
Managing Department & System



Corporate Technology Office : Corporate Technology Office is an R&D center that develops products in line with Pulmuone's wholesome food principles to promote safe and healthy ingredients and balanced nutrition for consumers. The office introduces cutting-edge food processing technologies, discovers natural ingredients, and conducts food safety and quality control to deliver the best quality that satisfies consumers around the world.

Attributes & Systems for Sustainable Foods

Sustainable foods are made from sustainable ingredients and processes that promote healthy circulation for the planet and for the people. We are increasing the use of plant-based ingredients, and for animal-based ingredients, we prioritize those produced in an environment that respects the dignity of animal life. We are committed to providing nutritionally balanced foods under the Pulmuone Nutrition Standards and to ensuring eco-friendly manufacturing, packaging, and distribution processes. As part of our efforts to promote sustainable foods, we provide plant-forward foods and animal welfare foods with these attributes.



Goals & Progress

Goals

Achieve 60% sustainable foods by 2025

Action Plans

Increase the substitutes for animal-based foods, expand the global markets and distribution channels, and secure plant-based food production facilities at overseas sites (South Korea, U.S., China, and Japan).

Progress Monitoring

In June 2022, we set mid-term goals and discussed detailed action plans in mid-term business strategy meetings with executives from each business unit across the company. The progress will be monitored at an annual mid-term strategy meeting.

Main Programs



Sustainable Foods: Based on the world's leading tofu manufacturing and plant protein R&D technology, Pulmuone is developing sustainable food strategies and launching sustainable product brands. We are focusing on expanding high-protein, plant-based food sectors using tofu and gaining competitive edges in the global market to contribute to the health of consumers and the sustainability of the global environment while paving the way for the food market.



Plant-forward Foods: Pulmuone's plant-forward foods are divided into plant-based foods and plant-forward FRM. Plant-based Foods put emphasis on nutritional values, such as high protein, by replacing animal-based ingredients with plant-based ones using cutting-edge technology. Plant-forward FRM contains a certain amount of animal-based sauces and broths without meat pieces in consideration of the dietary practices in South Korea.



Animal Welfare Foods: Pulmuone's animal welfare foods are made from animal-based ingredients with sustainable attributes and are divided into Animal Welfare Foods and Sustainable Seafood. They contain animal-based ingredients that are certified for their sustainability and ASC/MSC. Pork, chicken, fish, and eggs are used as animal-based ingredients instead of beef to reduce carbon emissions. Pulmuone is working on the strategies to increase the use of animal welfare foods among raw material producers and discover new farms in order to promote animal welfare.



Vegan Restaurant "Plantude": In May 2022, Pulmuone became the first major food company to open a vegan restaurant, "Plantude," which was certified by the Vegan Standard Certification, providing a service that allows anyone to experience and enjoy delicious and affordable vegan meals. The name "Plantude" is a portmanteau of the words "Plant" and "Attitude," meaning that it serves delicious and enjoyable plant-based meals with the goal of protecting the earth and the environment. To be certified as a vegan restaurant, all menu items must be certified vegan, and we are leading the way toward popularizing veganism by offering a variety of dishes featuring our plant-forward foods, including plant-based meat substitutes. Our goal is to develop and expand the place into a complex cultural space where customers can experience and share a healthy, sustainable and eco-friendly lifestyle in their daily lives.

Topic 2 Human Rights Management

Why It Matters

Institutionalization of Human Rights Management ▶ Companies have various groups of stakeholders, including customers, shareholders, employees, suppliers, and local communities. There is a growing demand to support human rights for suppliers and local communities in addition to employees, leading to more stringent regulatory requirements. EU countries require companies to conduct human rights due diligence in their business operations, including supply chains, and France, Germany and others have passed legislation and are promoting EU-wide directives on mandatory human rights due diligence. At Pulmuone, we are committed to creating a healthy and sustainable business environment by respecting the diversity of our stakeholders and protecting their rights without any unfair discrimination.

Progress in 2022 ▶ After conducting human rights due diligence at two business sites in 2022, the BOD declared its focus on human rights management and updated the Code of Conduct for Suppliers across the group. **Plan for 2023** ▶ Conduct human rights due diligence at three or more business sites in 2023.

Policies & Strategies

Pulmuone's corporate philosophy is based on inclusive culture and principles that considers all stakeholders. In particular, its human rights management starts with preventing and addressing violations, and respecting diversity. In recent years, human rights and diversity issues have become increasingly important for companies, even leading to regulatory requirements. Since 2018, Pulmuone has established and updated its human rights policies and officially supported international human rights and labor standards based on the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and International Labor Organization Conventions. Furthermore, we have also established and promoted the principles of human rights management throughout our supply chain. We are committed to realizing global-level human rights management in the aspects of human rights, labor, environment, and anti-corruption. To this end, principles and standards have been established to prevent discrimination in employment and work environment while implementing relevant systems and training programs. Under the domestic laws against discrimination including the Labor Standards Act and the Equal Employment Opportunity and Work-family Balance Assistance Act, we apply rational standards to all aspects of HR management, including hiring, training, compensation, and promotion. We have also stated in our company regulations that we do not tolerate any unfair discrimination for reasons of race, gender, age, religion, social status, hometown, educational background, marriage, pregnancy, childbirth, medical history, nationality, or disabilities (adopted Article 5 of the Pulmuone Rules of Employment), and we are committed to eliminating discrimination for many years. Since 2018, we have disclosed the procedures to remedy sexual/non-sexual harassment, and human rights violations in our workplace, implemented a one-stop management process to take prompt action, and organized the Gender Equality Center and the Grievance Counseling Center with the Human Rights Management Team, a dedicated organization.

Managing Department & System



Goals & Progress

Goals

Identify Risks and Establish Strategies for Improving Human Rights Management

Pulmuone is committed to creating an environment where all employees, suppliers, customers, local communities, and other stakeholders affected by its business operation are respected as individuals and are not subjected to inhumane treatment.

Action Plans

Human Rights Due Diligence & Risk Mitigation

Pulmuone assesses the causes of human rights violations and identifies areas of improvement to mitigate risks at its major business sites at least once a year. In 2022, human rights due diligence was conducted at two business sites, and starting from 2023, we plan to include three or more business sites by categorizing risks by business. For instance, in March 2022, we participated in the "Private Company's Human Rights Management Pilot Program" organized by the National Human Rights Commission of Korea to analyze the negative impacts on the human rights of key stakeholders in the entire process, from manufacturing and production to sales and distribution, of tofu, our main product, and to keep track of our response and set up plans for improvement.

Progress Monitoring

In response to the plans, we completed the implementation of short-term action plans including the Board of Directors' Declaration on Human Rights Management and the revision of the Supplier Code of Conduct for all members of the group. An FGI survey on human rights risks was also conducted to keep track of corporate-wide human rights issues, analyze the causes, and devise plans for improvement. Based on these action plans, we managed to enhance our human rights management system and transformed it into a more transparent and reliable process. Various activities were presented as best practices at the Human Rights Management Forum organized by the National Human Rights Commission of Korea in July 2022 and the Corporate Human Rights Seminar hosted by the Ministry of Justice in October 2022. To mitigate risks associated with human rights, we established policies covering all employees and suppliers through a dedicated team of experts, and introduced a remedying process to address human rights violations.

* Due Diligence Process: Pulmuone conducts due diligence at least once a year to identify risks and vulnerable groups in implementing the principles of human rights management and to prevent and mitigate negative factors. Risks and vulnerable groups that may arise in the course of business are analyzed and dealt with through improvement activities while monitoring the progress to create a culture of human rights.



Main Programs



Compliance with the Human Rights Management Principles: While Pulmuone's Risk Management Committee draws up Human Rights Management Principles and responses to potential issues, the Human Rights Management Committee handles violations to ensure their objective and neutral review and response. Any stakeholder who has witnessed or experienced violations against the principles can file a case to the Grievance Counseling Center and ask for prompt actions.



Reporting and Remedying Human Rights Violations: Through the official on/offline channels, 20 cases of non-sexual harassment and 7 cases of sexual harassment in the workplace were reported and handled. To prevent recurrence, the cases were processed into communication contents and shared with employees through training materials, newsletters, and in-house programs.

(Online Counseling/Reporting Channel: <https://cp.pulmuone.kr:3444/cyber/>)



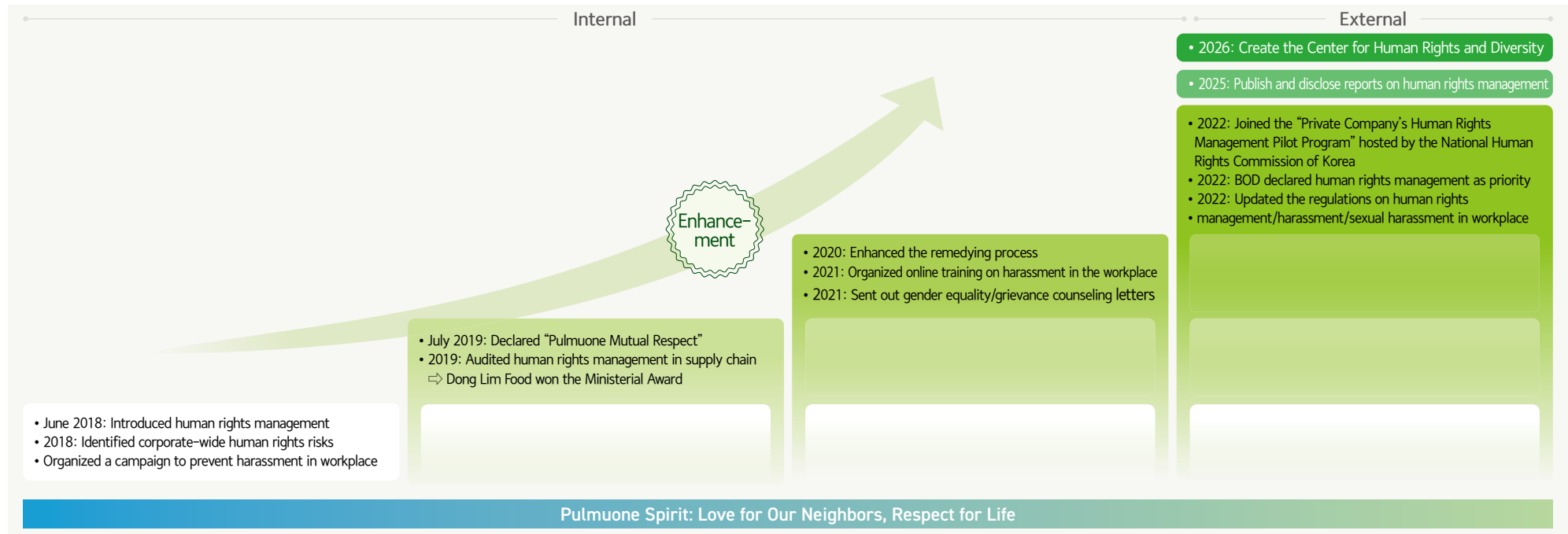
Grievance Counseling and Reporting Procedures



Human Rights Training: Pulmuone organizes statutory training programs to prevent sexual harassment in the workplace and raise awareness about disability every year. In 2018, Pulmuone established the Gender Equality Center to provide counseling and address sexual harassment as a one-stop process, and expanded its scope to cover counseling and training on gender discrimination. In 2021, in addition to mandatory training sessions, we developed and organized our own training program titled "Prevention and Elimination of Harassment in the Workplace" for all employees, including those with temporary employment status. In 2022, 99.4% of the employees completed the training. To further raise awareness and encourage participation, we are publishing letters on preventing sexual / non-sexual harassment, and gender discrimination in the workplace twice a month. The topics include human rights-related laws, company regulations, cases of violations, and disclosure of remedying procedures. We also organized events to raise human rights awareness, such as the "3rd Anniversary Event Commemorating the Enforcement of Article 76-2, Prohibition Against Workplace Harassment, of the Labor Standards Act" on July 16, the "Gender Equality UP Campaign to Commemorate Gender Equality Week" from September 1 to 8, and the "Declaration of Human Rights Day Event" on December 10.

Enhancing Human Rights Management

In recent years, there has been a growing social interest in the human rights of stakeholders as part of ESG management. Since 2018, Pulmuone has established human rights policies to ensure the safety and health of its employees and to help them maintain a healthy work-life balance. Currently, we are focusing on improving our human rights management in line with new laws, policies, and global standards. In particular, we officially declared "human rights management" as a high priority at the board meetings in 2022 and announced our support for global human rights initiatives. We also strengthened our implementation process by updating our internal regulations and established plans for improvement and future directions by conducting due diligence. Going forward, we will continue to expand the scope of due diligence to include the supply chain and share reports in accordance with global standards (UNGPs or CHRB Guide). In the process, we will make sure to secure channels to promote communication with our stakeholders on human rights issues.



Topic 3 Safety and Health in the Workplace

<p>Why It Matters Investment in Safety Culture</p> <p>▶ Safety and health management in the workplace is a key to minimizing losses and maintaining a high level of productivity by preventing disasters and protecting employees. With the enforcement of the Serious Accidents Punishment Act in 2022, the scope of safety management was expanded to suppliers, and the importance of raising awareness about safety and the prevention of accidents was also emphasized. As a result, safety leaders in the industry have increased their investment and assigned more resources in managing leading indicators and safety risks.</p>	<p>Safety Budget in 2023</p> <p>▶ KRW 4,034 million ↓ (27% ↑ from 2022)</p> <p>Target for 2023</p> <p>▶ Accident Rate 16%p ↓ (compared to 2022)</p>	<p>Mid-term Target(2026)</p> <p>▶ Accident Rate 32% ↓ ▶ Severity Rate of Injury 55% ↓ (compared to 2019)</p>
---	---	---

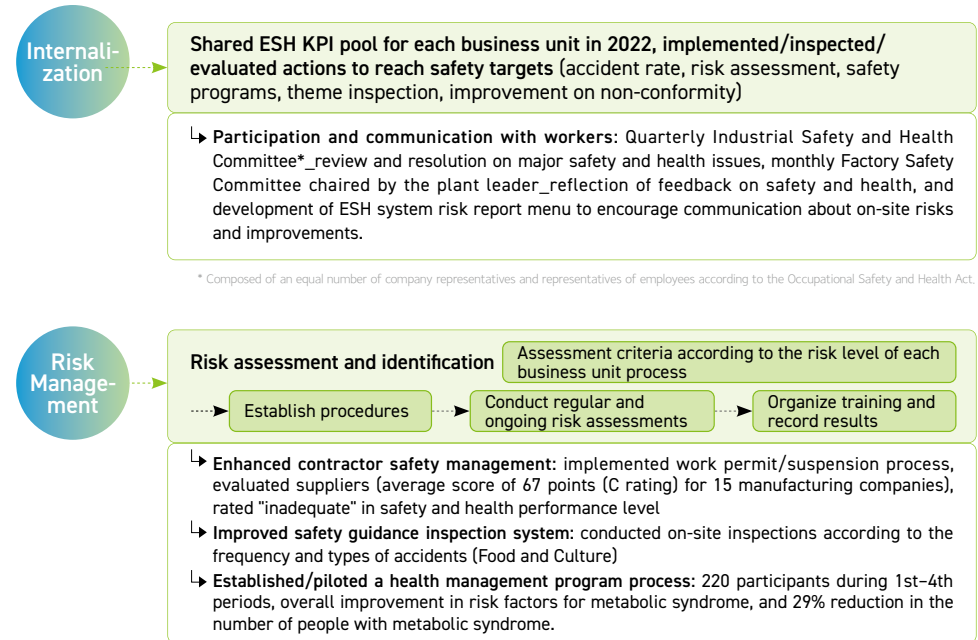
Occupational Safety & Health System

Occupational Safety & Health Policy

Pulmuone aims to create a safe and healthy business environment by responding to changes in industrial safety regulations, such as the Serious Accidents Punishment Act, and by reducing the accident rate. To this end, we have strengthened internal industrial safety governance, reflected safety management standards in automated facilities, enhanced our own safety and health audits, improved the operation of the Safety Committee for each site, and strengthened the safety management process during construction.

Occupational Safety & Health Management System

Pulmuone has acquired and maintained the occupational health and safety management system (ISO45001) certification, the internationally recognized standard for safety and health, and has met the requirements of the occupational health and safety management system by obtaining certifications for 16 domestic production and logistics sites, including the headquarters. The ESH Department is in charge of environmental safety and health management at all business sites. Discussions on environmental safety and health are regularly held at the Industrial Safety and Health Committee and the Session D meeting where the CEO and executive management establish and review corporate-wide environmental safety and health strategies. With the Industrial Safety Working Group and the Factory Safety Committee in business units, we constantly review and discuss safety and health risks that occur or may occur at the site. Safety management and auditing are key activities for the implementation of occupational safety initiatives, achievement of goals, and risk management.



Goals & Progress

Goals

Reduce the accident rate by 50% compared to 2021

Action Plans

Implement and reflect safety and health level evaluations (safety and health management system/performance level/operation management/accident occurrence) of suppliers on a regular basis.

Progress Monitoring

- **Status of the 2022 Safety and Health Assessment**
7 manufacturing sites and 11 suppliers
- **Corporate-wide Accident Rates in 2022**
Target: 0.68% (0.67% in 2021)
Performance: 0.71%
- **Severity Rate of Injury in 2022**
Target: 0.10 (0.12‰ in 2021)
Performance: 0.16‰

Plans for Improvement

- Prioritize and integrate of action plans with scoring less than 60 points in the safety and health level assessment for "intensive management" (2022)
- Reflect the results of the safety and health assessment on regular supplier evaluations (2022)
- Include corporate-wide C-level safety indicators for required KPIs (2023)

Main Programs



Corporate-wide Risk Assessment

- Results of risk assessment activities in 2022: completed improvement of 2,580 out of 2,826 identified as risk factors (91.3%).
- Risk assessment awards in December 2022: 25 supervisors were awarded with KRW 5 million in prizes for identifying risks and making improvement.



Quantified Targets for Improving Risk Factors

- Goals to guide for the inclusion and mandate of risk assessment (improvement) in the ESH KPI pool for each production site: Target A: improvement rate of 95% or more, Target B: improvement rate of 80% & 30-70 risk factors identified



Risk Management Committee

- Corporate-wide risk management (quarterly crisis level monitoring, including securing extra volumes, enhancing on-site safety activities, and minimizing facility downtime, which are key risks in the manufacturing/logistics business) to reduce risk factors through weekly unannounced site inspections with the Safety Planning Team every month.
- Conduct emergency response drills (e.g., fire, gas leak, power outage, and confined space) at least annually at each business site. (ISO Emergency Preparedness and Response Procedures_ESP-86-A01)



Advancing and Expanding Health Management Programs

- Established and piloted health management programs with the goal of managing the screening rate and positive diagnosis rate (57%) under the corporate-wide plan from 2022.
- 220 employees participated in the health management program (1st-4th phases), and improved the overall risk factors for metabolic syndrome (reduced the number of employees with metabolic syndrome by 29%)



Internal Audit

- Completed audits of the Serious Accidents Punishment Act (25 sites), ESH laws and regulations (7 sites), and ESH systems (8 sites, ISO14001/45001 internal audits), and improved all identified deficiencies.



Investigations & Procedures

- Injuries or illness requiring medical treatment for less than one day: Report the incident within 24 hours.
- Serious accidents lasting for more than 7 days: Safety Planning Team conducts an investigation, and reports and shares it on a corporate-wide level.



Safety Training

- Manufacturing/logistics/R&D/service business units: Completed legal safety and health training at the time of recruitment/on a regular or special basis.
- Food/Foodmerce/Health & Living/Green Juice Corporation: Expanded safety and health training for office workforce from 2022.
- Manufacturing/logistics supervisors: Training via e-learning in 2021 and 2022 due to COVID-19 and internal training organized by the Safety Planning Team in 2023 (16 hours).
 - * Training content: Accident investigation, laws and regulations, Pulmuone safety programs (autonomous safety management, downtime, ESH system, accident cases).
- In addition to the mandatory training, the Safety Planning Team organized workshops for ESH staff (Serious Accidents Punishment Act, BBS) and construction safety training (subject to the issuance of manufacturing and logistics work permits)



Improving Safety and Health in Supply Chain: Updated the Safety and Health Section in the 2023 Pulmuone Employee Standard Contract

*Article 63 of the Standard Contract (Others)

- ⑦ While performing this contract, including entering the logistics center for the manufacturing and delivery of the subject matter, the supplier shall comply with the Occupational Safety and Health Act, and they will maintain and promote the safety and health of workers by ensuring that they wear safety protective equipment and comply with safety rules to prevent occupational accidents. OHS standards review is included in the procurement and contracting requirements.





Part 3 Pulmuone with ESG



- **Special: Digital Transformation(DX)**
- **Pulmuone Spirit & ESG Management**
 - Pulmuone Spirit & Human Rights Management
 - Internalization of ESG Management
 - Communication with Stakeholders
 - Goals for Sustainable Growth
- **Environmental Management**
 - Environmental Policies
 - Policies & Governance
 - Progress in Environmental Management
 - Response to Climate Change
 - Resource Circulation
 - Eco-friendly Packaging
- **Social Responsibility Management**
 - Talent Development
 - Evaluation & Compensation
 - Working Environment
 - Communication with Employees
 - Win-win Labor-Management Relations
 - Products & Services
 - Communication with Customers
- Information Security
- Sustainable Supply Chain
- Social Value Creation
- **Governance**
 - Governance
 - Equity Structure
 - Composition of the BOD
 - Independence, Diversity and Expertise of the BOD
 - BOD Operation & Performance
 - Protection of Shareholders Rights
- **Risk Management**
 - Risk Management Governance
 - Risk Management Frame
 - Major Risks
- **Corporate Ethics**
 - TISO Management
 - Fair Trade
 - Compliance
 - Tax Policies

Special

Digital Transformation(DX)

Pulmuone uses digital transformation to create new values by providing innovative digital experiences to stakeholders in and outside the organization. Since digital transformation can improve work efficiency and enable data-based control of non-financial risks in ESG management while creating new social and environmental values through innovation in customer experience, we plan to complete the DX platform by 2025, with the goal of making it available in everyday lives. In 2022, we carried out tasks to enhance operational excellence with the goal of innovating business experience. In 2023, we plan on implementing tasks to improve our customer service and strengthen our internal digital expertise in order to innovate the experiences of our customers and employees.

Progress in 2022 ▶ Corporate-wide DX/PI (Project Innovation) initiatives in 2022: 40 DX/PI initiatives, 46 initiatives for improvement

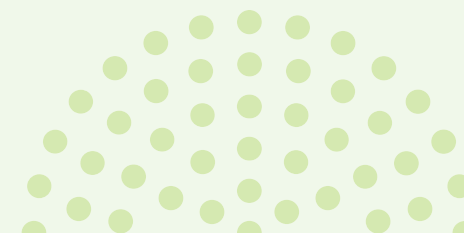
Policies & Strategies

DX Policies

In response to the growing demand for effective implementation of DX to gain competitive advantages, Pulmuone has set a vision for 2023. Our DX implementation is categorized into three main areas: CX (Customer Experience), BX (Business Experience) and EX (Employee Experience). They embody our commitment to driving innovation-based growth by providing unique digital experiences in the daily lives of customers and employees.

DX Strategies

Pulmuone started the DX/PI project in 2019 and established the Pulmuone DX Platform Strategy in 2021. By integrating and connecting data and systems and building a service platform for each business unit, we are able to drive innovation to create synergies across the company, and utilize DX technologies such as AI (artificial intelligence), mobile, IoT (Internet of Things), and RPA (robotic process automation) to improve the productivity of our employees.



Goals & Progress

Goals

Transform work processes based on corporate-wide digital platform/data and AI strategy by 2025.

Transcend the limitations of a food company and step up as a food platform provider to innovate the customer experience.

Progress Monitoring

Category	Project	Progress	Plan for the Future
DX Platform	AI Review System (AIRS)	<ul style="list-style-type: none"> Collected and analyzed reviews of major online shopping retailers through AI learning ⇒ Acquired/analyzed over 3.5 million pieces of data from 8 channels 	<ul style="list-style-type: none"> Expand product categories (learning attributes other than taste)
	Digital Smart Factory	<ul style="list-style-type: none"> Built MES (Manufacturing Execution System) and coordinated with quality management (8 Pulmuone production sites, 6 suppliers) ⇒ Centralized control of major issues based on real-time data, and improved the productivity 	<ul style="list-style-type: none"> Expand Smart Factory based on data analytics
	Digitization of E2E Purchase Process	<ul style="list-style-type: none"> Systematized the entire purchasing process 	<ul style="list-style-type: none"> Enhance market analysis with internal and external data
	CDA Platform-based Implementation Planning	<ul style="list-style-type: none"> Set implementation directions 	<ul style="list-style-type: none"> Plan and phase 4P (Promotion, Place, Price, Product) based scenario
Key Projects by Business Unit	LOHAS Care Personalized Nutrition AI/IoT Services	<ul style="list-style-type: none"> Implemented personalized services (e.g., medical checkup results, medications, allergies) through mobile apps (Perpack) 	<ul style="list-style-type: none"> Expand IoT data coordination, apply AI algorithmic analysis, and create data-driven dietary recommendations
	FNC Service Platform	<ul style="list-style-type: none"> Provided meal service and collected personal preference through a mobile app (Desil) ⇒ Subscribers: 6,136, Verified Users: 4,966, DAU*: 1,153 	<ul style="list-style-type: none"> Improve the service Expand target business sites (Target: 50 in 2023)
	Automation of Indication Review	<ul style="list-style-type: none"> Automated legal indication review process, automatically review the latest legal information ⇒ Reduced lead time for review by 26% (16.9→12.5 days) 	<ul style="list-style-type: none"> Collect legal information and manage risk with RPA
	FDD Customer App Development	<ul style="list-style-type: none"> Developed KakaoTalk-based mobile app led by the HQ ⇒ Improved average monthly retention rate (1.5%↑ for members, 17.5%↑ for external malls) 	<ul style="list-style-type: none"> Expand the D2C** channels by developing FDD app
	Logistics Innovation	<ul style="list-style-type: none"> Built FC (Fulfillment Center) conversion system at Yongin Logistics Center 	<ul style="list-style-type: none"> Expand the logistics center
AI-Powered Projects	Optimization of Marketing Allocation	<ul style="list-style-type: none"> Sales staffs based on AI analytics (e.g., on-site data and external variables (e.g., weather, region)) ⇒ Up to 48%↑ in sales 	<ul style="list-style-type: none"> Increase the auto allocation (70%↑) in the metropolitan area Increase product categories
	Prediction of Drinking Water	<ul style="list-style-type: none"> Predicted demand for drinking water by corner/menu through AI learning with more than 100 variables 	<ul style="list-style-type: none"> Increase the locations with drinking water prediction (about 30)
	Customer Center STT (Speech-to-Text)	<ul style="list-style-type: none"> Converted VoC to text ⇒ 100% complete 	<ul style="list-style-type: none"> Implement TA (Text Analyze)***

* Daily Active Users / ** Direct to Customer / *** Process of providing insights by analyzing the language converted to texts

Pulmuone Spirit and Human Rights Management

Pulmuone Farm and Corporation

Pulmuone originated from Pulmuone Farm, which was established and operated by the late Director Won Kyung-sun in 1955. Pulmuone Farm was a community where people who had nowhere to go, including war orphans, lived together. He founded the “Jeong Nonghoe” and started the first organic farm in Korea in 1976, when everyone was crying out for more food. In 1981, Pulmuone opened Pulmuone Organic Produce Farm Shop, Korea’s first organic specialty store that has now become one of Korea’s most beloved companies that also globalizes wholesome food products. To this day, the spirit of “love for our neighbors, respect for life” has been inherited and developed into the Pulmuone spirit that must be followed to provide products and services. Based on this spirit, we pursue our mission of serving as a company that “creates healthy tomorrow for the people and planet with wholesome foods.”



Contribute to spreading the value of human health and sustainability in our society

A Conscious Farmer

Changing the World and People!

The Beginning and Evolution of Pulmuone Farm

1955

Cleared 33,057.8512m² of land in Bucheon, Gyeonggi-do, named it Pulmuone Farm, and built a community where orphans and those who had lost their homes can live after the war.

1976

Moved to Yangju, Gyeonggi-do and founded Korea’s first organic farmers’ association, Jeong Nonghoe, and began organic farming to promote the Pulmuone spirit, “Love for Our Neighbors, Respect for Life.”



The Beginning and Evolution of Pulmuone Corporate

1981

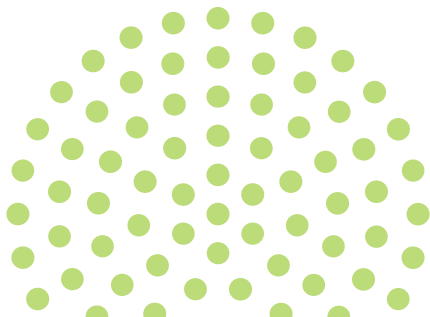
Started Pulmuone Farm Organic Market in 33 m² of space in Appujeong-dong.

1984

Founded Pulmuone Food (listed on the Korean Exchange in 1995).

2021

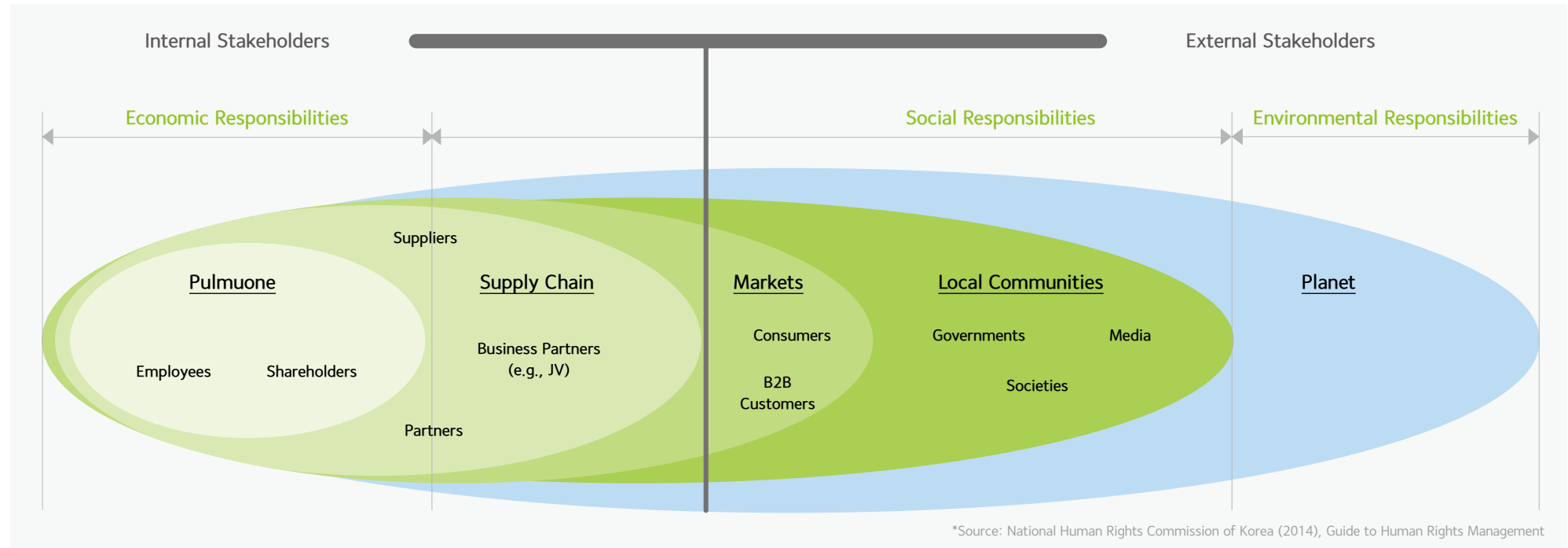
Expanded into the U.S., China, Japan, and Vietnam, and currently operates in the food and beverage manufacturing and distribution, food service, cultural space, and lifestyle service industries.



Love for Our Neighbors, Respect for Life

Pulmuone's respect for people comes from its founding spirit, "Love for Our Neighbors, Respect for Life." First, the spirit of "Love for Our Neighbors" is the passion to deliver fresh and safe food, backed by a strong commitment to make wholesome foods for you and your family. Second, the spirit of "Respect for Life" comes from the desire to love and protect nature, the source of life, and the promise to consider and practice environmental protection in all processes and outcome of our business operation. We can only live as human beings by saving nature. That is why we are committed to recognizing and fulfilling our responsibilities toward all our stakeholders, including the supply chain, consumers, local communities, and our planet.

Stakeholders of Pulmuone



Internalization of ESG Management

ESG Management Strategies

Pulmuone's ESG management is embedded in the company's mission, core strategies, and values. Our core strategies for fulfilling the corporate mission, "Plant Forward," "Animal Welfare," "Healthy Experience," and "Eco-Caring," aim to realize a sustainable tomorrow where both people and the planet are well-protected by considering plant-forward and animal welfare-based products, services that offer a healthy experience to customers, and processes and outcomes that are beneficial to the environment.

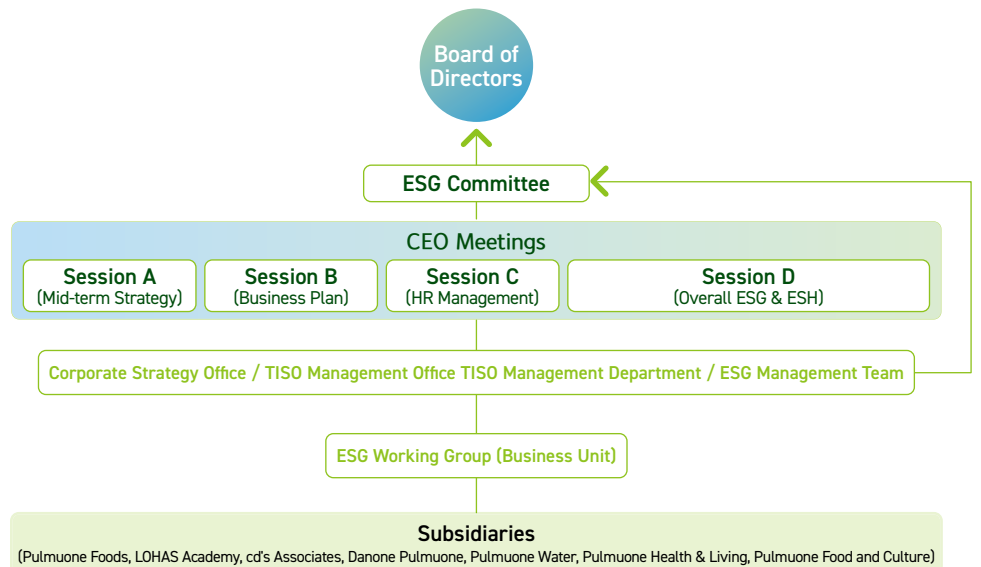
Core Strategies

 Plant-Forward Create desirable products and diets by minimizing the use of meat for the health of both humans and Earth (if inevitable, using animal welfare-certified meat or eco-friendly seafood) and using sustainable plant-based raw materials.	 Animal Welfare Provide products that respect the dignity of animals as living creatures and reduce harm to health and damage to the ecosystem caused by industrial livestock farming practices, indiscriminate capture, and factory-type fish farming.	 Healthy Experience Provide products and services that can prolong health-adjusted life expectancy by improving the hygiene of individuals and their living conditions, and help people develop healthy and hygienic lifestyles.
 Eco-Caring Business Value Chain Eliminate or minimize harmful factors that impact the health of the ecosystem across the business value chain, from sourcing to production, packaging, sales, and disposal.		

ESG Management System

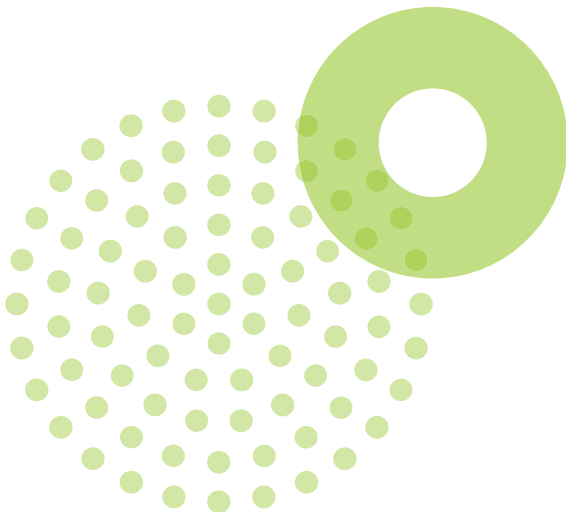
Pulmuone has established and operated its management system to strengthen its corporate-wide non-financial (ESG) performance and strategic application. We are striving to maximize economic, social, and environmental value creation by systematically managing non-financial performance through the efficient operation of the ESG Committee under the BOD and CEO meeting, as well as the working group. Our goal is to advance our ESG management by implementing internalization tasks to achieve ESG management goals and establishing a non-financial performance management process based on the ESG Department.

ESG Management Decision-Making Process



Communication with Stakeholders

In our Articles of Incorporation, we define our six key stakeholder groups, including customers, shareholders, employees, suppliers, local communities, and the environment, and declare specific commitments and pledge actions that we will deliver. They have direct or indirect impact on our sustainable management activities. We ensure full transparency of our strategies, major activities, performances, and plans for our stakeholders. Stakeholders can access the overall management of our operation at any time through social media and other communication channels.



Communication Channels for Stakeholders

Category	Overview	Communication Channels	
		Common Channels	Individual Channels
 Shareholders & Investors	Individuals (or institutions) that own or are planning to own one or more shares of stock in Pulmuone	<ul style="list-style-type: none"> Pulmuone website (www.pulmuone.co.kr) Social media (Facebook, Twitter, Instagram, etc.) and Blog Integrated Report Official YouTube channel (https://www.youtube.com/user/pulmuonelove) 	<ul style="list-style-type: none"> Open shareholders' meeting Integrated report for open shareholders' meeting NDR / IR meetings
 Customers	Consumers who purchase products and services manufactured and provided by Pulmuone		<ul style="list-style-type: none"> Customer Satisfaction Center e-Fresh monitor Homemaker monitor Customer satisfaction survey
 Employees	All members of the company who work together to achieve the mission and vision of Pulmuone		<ul style="list-style-type: none"> Company portal (KWP, Knowledge Worker Platform) Labor-Management Council Meeting with the General CEO Grievance Counseling Center Human Rights Management Committee Environmental Safety Committee
 Suppliers	All companies and their employees involved in the process of procurement, manufacturing, sales, transport, and facilities of Pulmuone products and services		<ul style="list-style-type: none"> Meeting with suppliers Partners Day ONE, THE PULmuone Partners Meeting Pulmuone Sourcing Portal (sp.pulmuone.co.kr)
 Local Communities	All individuals and institutions that affect and are affected by Pulmuone's business, including the government, relevant institutions, NGOs, volunteer organizations, and local residents of regions of its business sites		<ul style="list-style-type: none"> Work-related meetings (at the request of relevant institutions and organizations) Meeting with local residents (regular/temporary) Meeting hosted by the General CEO Associations, workshops, and conference Regular meetings with volunteer organizations

UN SDGs

Pulmuone has declared its support for the UN Sustainable Development Goals (SDGs) and engaged in various activities. The Sustainable Development Goals are the common goals of the international community to promote universal peace and create a sustainable planet through not only economic growth but also harmony between people, the environment, and society. The UN has proposed 17 goals and 169 detailed indicators as an action plan for sustainable development by 2030.

	<p>Goal 1. End poverty in all its forms everywhere: Provide education and support for the poorest and most vulnerable to overcome poverty</p>		<p>Goal 10. Reduce inequalities within and among countries: Implement and spread human rights advocacy in business operation such as respect for human rights management</p>
	<p>Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture: Invigorate the agricultural ecosystem by expanding the adoption of GAP for agricultural products and promoting mutual growth</p>		<p>Goal 11. Make cities and residential communities inclusive, safe, resilient and sustainable: Contribute to creating a culture of a sustainable living by spreading the corporate spirit, "Love for Our Neighbors, Respect for Life"</p>
	<p>Goal 3. Ensure healthy lives and promote well-being for all at all ages: Spread good dietary habits and healthy lifestyle based on sustainable wholesome foods</p>		<p>Goal 12. Ensure sustainable consumption and production patterns: Develop and expand sustainable food products in line with plant-forward and animal welfare concepts.</p>
	<p>Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all: Strengthen capacity of employees and encourage self-development</p>		<p>Goal 13. Take urgent action to address climate change and its impacts: Establish a risk management system for climate change and come up with countermeasures</p>
	<p>Goal 5. Achieve gender equality and empower all women and girls: Develop female leaders and help women achieve success both at work and at home</p>		<p>Goal 14. Conserve and sustainably use the oceans, seas, and marine resources for sustainable development: Strengthen education programs about water environment and expand the MSC/ASC certification for fishery products</p>
	<p>Goal 6. Ensure availability and sustainable management of water and sanitation for all: Build a system for managing the quantity and quality of water resources</p>		<p>Goal 15. Protect, restore, and promote sustainable use of terrestrial ecosystems, manage forests sustainably, combat desertification, reverse land degradation, and protect biodiversity: Minimize business impacts on the environment</p>
	<p>Goal 7. Ensure access to affordable, reliable, sustainable, and modern energy for all: Use eco-friendly energy sources and expand the use of renewable energy</p>		<p>Goal 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: Realize justice through compliance and ethical management</p>
	<p>Goal 8. Promote sustainable and inclusive growth, full and productive employment, and decent quality job opportunities for all: Constantly create jobs for youth and increase the employment of the elderly and the socially disadvantaged</p>		<p>Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development: Conduct joint R&D projects with governmental agencies and cooperate with NGOs to promote CSV</p>
	<p>Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation: Strengthen internal and external activities for the development of the food industry</p>		

Environmental Management

Pulmuone minimizes its impact on the environment across all business activities. We have implemented a standardized environmental management system, which systematically controls emissions and discharged substances by regularly monitoring the discharge route and amount of air pollutants, harmful chemicals, and waste. We are also expanding relevant facilities and carrying out environmental improvement activities. We also clean up nearby areas on a regular basis. In order to realize the corporate mission, "To Create Healthy Tomorrow for the People and Planet with Wholesome Foods," we are pursuing strategies that incorporate the unique values to respond to climate change, such as expanding products to respond to climate change, reducing energy and water consumption, reducing greenhouse gas emissions, and recycling. We have also set targets to reduce energy and water consumption, greenhouse gas emissions, and waste at the source as of 2022 by expanding renewable energy, investing in high-efficiency facilities, and promoting action plans to reduce water consumption and circulate resources. Our goal is to expand the reduction strategies by product, logistics, and packaging category and implement them at a corporate-wide level by setting mid- and long-term targets up to 2026.

Environmental Policies

Pulmuone has established environmental strategies to fulfill its corporate mission, "To Create Healthy Tomorrow for the People and Planet with Wholesome Foods." When it comes to products, we respond to climate change by expanding our eco-friendly products lineup, setting targets for reducing energy and water consumption and greenhouse gas emissions in the production stage, building a management system to promote strategies that incorporate our own values in response to climate change, and continuing to support the expansion of renewable energy and resourcification of waste.

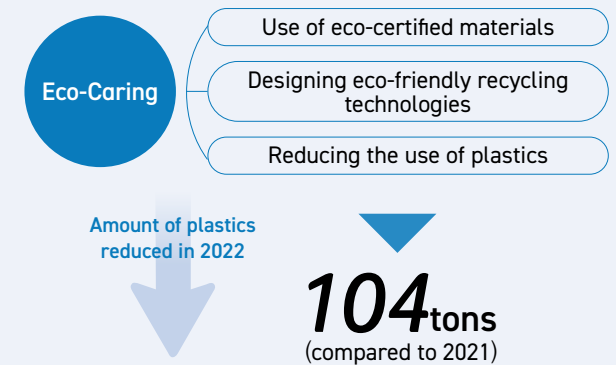
Energy and Greenhouse Gas Operation Sector :

We are expanding the application of renewable energy and increasing efficiency by utilizing EMS (Energy Management System) as areas of focus, while replacing outdated facilities with water-saving facilities, implementing water-saving projects, and expanding water recycling in the water operations sector.

Waste Operation Sector : We are expanding the resource circulation of saleable byproducts, and utilizing IoT and smart factory technologies to reduce losses during processes.

Packaging Sector : With "Eco-Caring," which prioritizes environmental impact, as a core strategy, we are promoting the use of eco-friendly certified materials, designing recycling technologies, and reducing the use of plastic. We managed to reduce the amount of plastic used by 104 tons by removing plastic trays (for the noodle product line) in 2022 compared to 2021. We are also developing sustainable packaging materials such as bioplastics (salad), recycled PP packaging (tofu, natto), and single raw material PE packaging (two types of plant-based Jigusikdan dumplings).

Product Sector : We are expanding our product lineups for climate change mitigation and planning to increase the share of sustainable food products in sales from 44% to 60% within 3 years while gaining competitive advantages in our animal welfare products by building large-scale animal welfare farms.



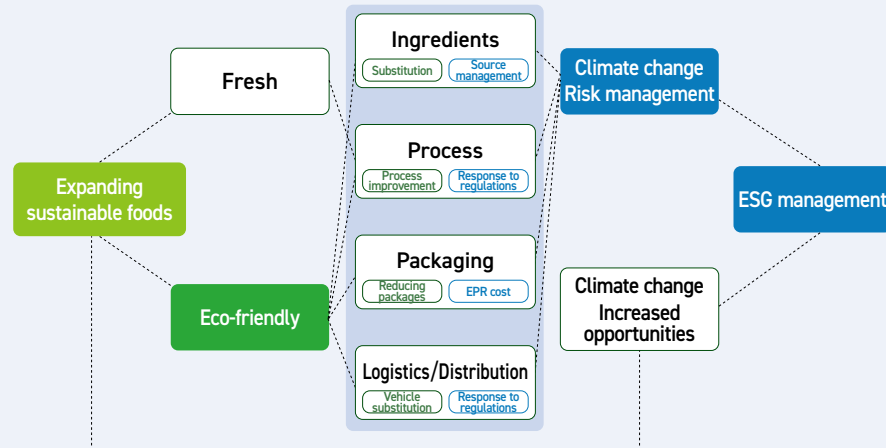
Goals

In order to minimize environmental impacts across all areas of our business, we establish mid- and long-term action plans and keep track of our environmental management goals at Session D meetings, which are attended by the General CEO and executives, and the quarterly Environmental Safety Committee meetings. Environmental management is carried out by setting short-, mid- and long-term action plans with focus on raw materials, production processes, packaging, and logistics.

Workflow

Pulmuone assesses and manages the environmental benefits of sustainable food and works on systematic action plans to promote and internalize ESG management and respond to risks.

Environmental Management Workflow



Risk Management in Response to Environmental Regulations

Pulmuone ensures full compliance with ESH-related laws and regulations. We are committed to internalizing the ESH culture by establishing policies, regulations, procedures, and standards to manage risks and apply more stringent requirements. Based on the policies, the ESH Department, ESG Management Team, and Legal Team collaborate to monitor environmental laws and regulations, and conduct regular and ongoing analysis at domestic and overseas business sites to check the status of risk management. When new environmental regulatory risks arise, we take immediate action and update our policies and regulations through prompt decision-making process by the Crisis Management Committee or the Environmental Safety Committee.

Progress in 2022

- Installed wood pellet boilers at Uiryeong Tofu Plant to reduce GHG emissions → Reduced by 2,643tCO₂
- Removed plastic trays to reduce the use of plastics → Reduced by 104 tons
- Used 11 Tj of renewable energy

Plan for 2023

- Reduce GHG emissions by 4.2% (intensity, compared to 2022)
- Reduce 269 tons of plastic



Policies & Governance

Policies

Pulmuone is committed to taking actions against climate change and resource depletion by reducing energy consumption, improving energy efficiency, protecting water resources, and recycling waste. The goal is to further strengthen our ESG capabilities at a corporate-wide and business unit level by reducing the environmental impact of our business operation throughout the entire product life cycle and promoting systematic efforts from a Plan-Do-Check perspective to strategically utilize corporate-wide, non-financial goals and performance.

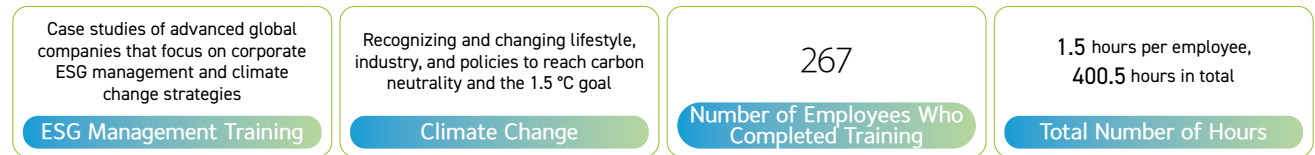
Environmental Management Governance

In order to promote BOD-led environmental management, Pulmuone reports environmental performance, goals, and plans to the Board at the beginning of each year, and reviews and approves related policies, risks, and strategies at the ESG Committee meetings. The BOD holds a CEO meeting (Session D) twice a year and an Environmental Safety Committee attended by the CEO and executives four times a year as the CEO has the roles and responsibilities to secure executive power by making decisions on the detailed direction of action plans approved by the BOD. In particular, ESH KPIs are managed at a corporate-wide level by the Environmental Safety Committee to align our environmental management practices with the goals.

Progress in Environmental Management

Environmental Training

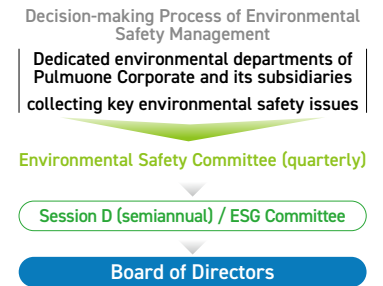
In December 2022, Pulmuone conducted the Pulmuone Online ESG and Environmental Training for all employees of the company. The training was conducted for two weeks with a wide range of training content focusing on the background, basic concepts, and trends of ESG management, advanced best practices, and the importance of climate change. The contents were prepared through a business agreement with the National Environmental Education Center of the Ministry of Environment. In May 2022, we formed a partnership titled "Environmental Education Partnership for a Sustainable Future" with the Ministry of Environment's Korea Environmental Education Center and pledged to support educational programs to raise awareness.



Progress Monitoring & Feedback System

Pulmuone organizes quarterly Environmental Safety Committee meetings with executives to discuss environmental safety-related performance, important issues and actions, targets for each area of improvement, and progress. Next, Session D* is organized by the General CEO and attended by C-level executives from each business unit to share performance status and review plans for promoting ESH practice, and report to resolve major issues at the ESG Committee and the BOD meetings, which are the highest decision-making bodies and processes.

Category	Frequency	Objectives & Roles	Top Decision-Makers
BOD	Quarterly or more	Report on investment plans and results of activities to promote environmental safety management	BOD
ESG Committee	Semiannual or more	Share the corporate-wide ESG management strategy and the progress of tasks for each major issue	Committee
Session D	Semiannual	Share performance and review plans for ESG and environmental safety initiatives by business unit	General CEO
Environmental Safety Committee	Quarterly	Review corporate-wide environmental safety strategy and major initiatives	General CEO
Manufacturing Site Workshop	When required	Discuss workplace environmental safety issues and challenges	ESH Department.
Manufacturing/Logistics ESH Working Groups	When required	Build a safety-oriented culture based on the ESH action plan and discuss compliance practices	ESH Department.
Non-manufacturing ESG Working Group	When required	Promote working-level discussions to build a safety-oriented culture in each business unit	ESH Department.



Eco-friendly Product & Service Certification

Pulmuone has environmental management systems that comply with ISO14001, a global standard for environmental management systems, and ISO45001, a standard for safety and health management systems, and has obtained the corresponding certifications. ISO14001 and ISO45001 are international standards established by the ISO (International Standard Organization) and provide criteria for all aspects of company operations, including management systems, production, and service, in the areas of environment, safety, and health. We obtained ISO14001 certification for our domestic manufacturing and logistics companies and the Corporate Technology Office in 2015, and ISO45001 certification in 2018, maintaining them to date.

LEED Certification

Pulmuone's state-of-the-art R&D center, Corporate Technology Office, is the first food research institute in South Korea to acquire a Gold rating from LEED (Leadership in Energy and Environmental Design), a global green building certification. Gold is the second-highest level of LEED certification after Platinum and is highly difficult to obtain. The acquirement of a Gold rating from LEED by Pulmuone is a first for a food research institute in Korea, and it is the highest rating ever received by any R&D centers including non-food sectors in the country.

Eco-friendly Process Management

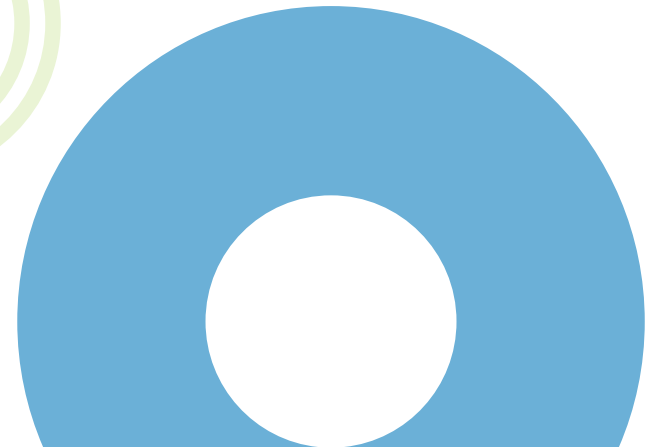
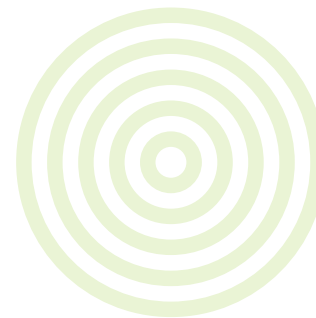
In order to reduce GHG emissions during the process, Pulmuone is increasing the number of sites with EMS (Energy Management System) as part of its the mid- to long-term strategy and collecting big data to build eco-friendly processes. Going forward, we will continue to reduce GHG emissions by using more renewable energy, developing innovative processes, and applying new technologies. We are also improving efficiency and managing facility maintenance with the focus on refrigeration, boilers, and air conditioning, pipes and wires by thermal imaging diagnosis, recovery and reuse of waste heat, and EMS operation.

Investment in Environmental Facilities

In 2022, Pulmuone invested in a solar collection system with a capacity of 20 tons of hot water (1,479 kWh/day) at the Pulmuone Kibun site, and expanded solar power generation facilities with a capacity of 100 kW at PPEC Eumsung Fresh Noodle and Danone Pulmuone, and 117 kW at the Ansan Rest Area.

Violations of Environmental Laws and Regulations

There was no violation of environmental laws and regulations in 2022.

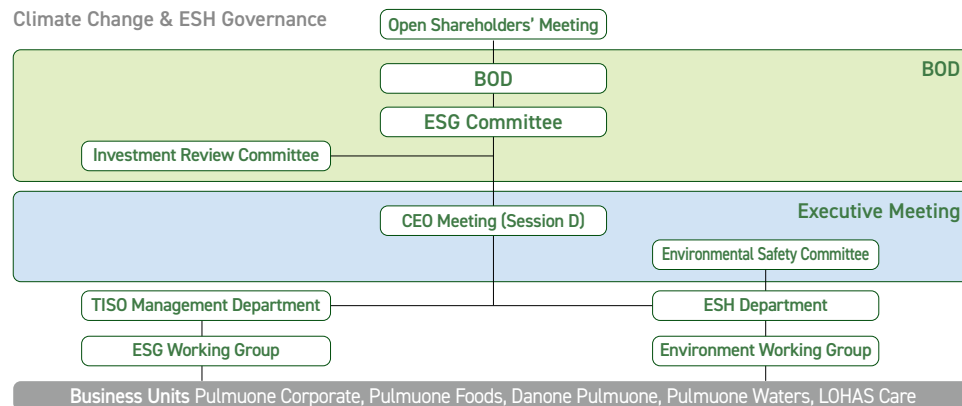


Response to Climate Change

Governance

Pulmuone oversees and manages issues regarding climate change with its Board of Directors as the highest decision-making body. The BOD makes decisions by considering climate change impacts on the business and its stakeholders. To establish firm leadership in the management of climate-related risks, opportunities, and activities, we assign the responsibility to the ESG Committee (meeting held twice a year), and the ESG Committee's secretary and executives in the environmental sector report to the ESG Committee.

The ESG Management Team and the ESH Department have been organized as operators for planning and responding to climate change, and meetings are held for each business unit to ensure the dissemination and secure the capability to execute the tasks. GHG emissions, project progress, and climate change issues are reported to the Environmental Safety Committee at least quarterly. Important issues regarding strategies, goal setting, and disclosure are discussed at Session D, a CEO meeting for social responsibility and environmental management. Any issues that may arise from the construction of new facilities and factories are reviewed in advance by the Investment Review Committee.

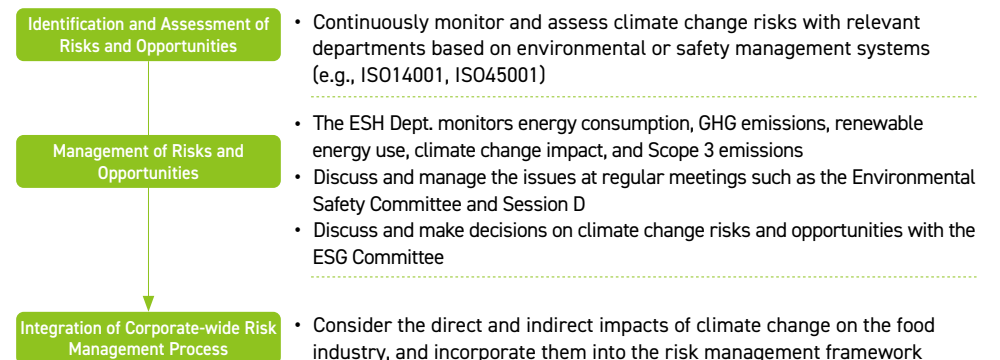


Risks & Opportunities

Pulmuone defines the financial or strategic impact from climate change-related risks and opportunities for all business sites, including Pulmuone Foods, and reviews the materiality of each issue and its impact on business and society with the Risk Management Committee and the ESG Committee. Depending on the materiality of the issue, the committees assign the role of establishing response strategies to dedicated departments and report issues with significant business impact to the BOD.

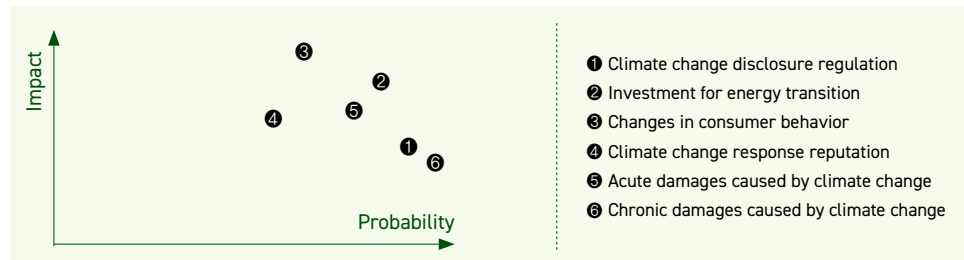
According to our risk management process and manual, we monitor climate change-related risks, and responses and GHG reduction measures are implemented in consideration of the national reduction plans under the Paris Agreement, the IPCC (Intergovernmental Panel on Climate Change) assessment reports and RCP (Representative Concentration Pathway) scenarios, the IEA (International Energy Agency) energy technology outlook, and the KETEP (Korea Institute of Energy Technology Evaluation and Planning) technology roadmap.

Risk Identification Process



Climate Change Risks and Opportunities

Risk Category	Financial Impact	Pulmuone's Responses	Short-term	Mid/long-term
Response (Transition risk)	① Policy/legal (Risk) Violations of laws on climate change and litigation costs (Risk) Investment in financial resources for Scope 3 GHG assessment	<ul style="list-style-type: none"> Management of multiple emission facilities even though the company is not subject to GHG emission management Expansion of GHG emission management at all business sites Preparing guidelines for advanced management of Scope 3 emissions 	✓	✓
	② Technology (Risk) Increase in short-run production costs due to investment in power facilities	<ul style="list-style-type: none"> Monitoring of renewable power generation costs Adoption of electric carts 	✓	
	③ Market (Opportunity) Growth of the market for LCA-based, low-emission products (Risk) Rising raw material costs due to increased demand for high efficiency and eco-friendliness	<ul style="list-style-type: none"> Securing low-emissions technology at all stages of the process (e.g., plant-forward foods, vegan foods) Carbon reduction management of sustainable foods 	✓	✓
	④ Reputation (Risk) Negative impact on corporate credit rating and overseas exports due to climate change response and environmental impact	<ul style="list-style-type: none"> Disclosure of information on climate change responses according to the TCFD framework CDP participation 	✓	
Adaptation (Physical risk)	⑤ Acute (Risk) Physical damage at business sites or production facilities caused by abnormal weather (Risk) Rapid change in raw material prices due to climate change	<ul style="list-style-type: none"> Diversification of raw material supply and demand Regularly checking of supply plan Establishing and monitoring price prediction model scenarios 	✓	
	⑥ Chronic (Risk) Increased operating costs of business sites such as cooling and heating systems (Risk) Change in sourcing origin due to temperature increase (Risk) Change in precipitation patterns	<ul style="list-style-type: none"> Improvement in utility facilities at business sites Implementation of emergency scenarios for climate emergencies 	✓	✓



Climate Change Response Strategies & GHG Reduction Activities

Pulmuone has set three strategic directions in response to climate change. ▲ Expanding renewable energy (energy transition) and improving energy efficiency to reduce Scope 1 and Scope 2 emissions. ▲ Promoting low-carbon business strategy to reduce Scope 3 emissions. ▲ Including climate change response in KPIs for the management and executives to encourage proactive response to climate change.

Expanding Renewable Energy and Improving Energy Efficiency

Pulmuone is committed to increasing the use of renewable energy and improving the energy efficiency of its facilities. As a result, the share of renewable energy has been increased to 5.0% of the total energy used in 2022 (at food manufacturing sites). However, due to the impact of the expansion of the Pulmuone Foods production facilities and the increase in production volume, we exceeded our goal of increasing the total energy unit by 2.0% in 2022 by 0.5%.

Going forward, we will continue to promote energy transition and plan to transition to renewable energy at our business sites by 2050. We are considering the use of hydrogen burner technology to replace thermal energy while expanding renewable energy with a focus on solar power, which has become more economically viable due to rising electricity prices and falling LCOE.

Low Carbon Business Strategy

In 2022, Pulmuone launched “Jigusikdan” products, which are based on plant-based ingredients, to reduce methane emissions from livestock farming, thus reducing GHG emissions throughout the product life cycle. The sales of “Jigusikdan” has accounted for approximately 7-8% of the total sales of the food business, and we will continue to drive its growth by introducing various meat substitute products this year.

Green transportation and waste reduction are also major parts of our low carbon business strategy. Eco-friendly transportation is being implemented across all areas of our business

operation, including electric and hydrogen-powered trucks and electric carts (door-to-door sales). In terms of waste reduction, we are working on using lightweight, label-free water bottles and bioplastic trays, while setting up plastic and waste management strategies to manage them separately.

Managing Climate Change Performance

Pulmuone manages overall ESG performance, including targets and achievement levels in response to climate change, as KPI for management, executives, and those in charge of the Risk Management Department. This KPI is reflected as an important factor in determining the annual salary increase for the next year. Employees are encouraged to participate in climate change response activities as we present the Environment & Safety Award annually to one employee in each division who demonstrate excellent performance. In 2022, a total of 8 employees received the award.

Incentive for Environment and Safety Management

Category	Environment & Safety Award	Environment & Safety Best Practice Award	Executive CfS
Eligibility	Operations & Field Management Positions	Team Members	COO & Executives
Type	Monetary Reward	Monetary Reward	Monetary Reward
Description	Annual rewards for those who contribute to reducing carbon emissions and improving the eco-friendly performance of products, packaging, and business sites (KRW 500,000 per person)	Special rewards for those who actively engage in eco-friendly activities including climate change response in the field, proactively identify and prevent risks, and quickly deal with risks (KRW 1 million per business site, KRW 300,000 per person)	KPI quantitative indicators] GHG emission intensity for the share of renewable energy generation

Managing Climate Change Indicators and Objectives

GHG emissions have been increasing in recent years due to the expansion of new production facilities and growing output. However, Pulmuone is committed to reducing GHG emissions by improving the efficiency of its production processes and working on renewable energy projects. The target in response to climate change in 2022 was to suppress the increase in GHG emissions per unit of output below 1.8%, but it took longer than expected to efficiently operate the new facilities, resulting in an increase of 3.2% compared to 2021. This was about 1.4 percent higher than the target level.

* In 2023, Pulmuone expanded the scope of GHG management to all business sites, including overseas sites, and recalculated GHG emissions for 2021-22.
 This indicator and target management are based on the existing calculation scope (domestic manufacturing sites).

Pulmuone’s mid-term goal for climate change response is to achieve 4.67 tCO₂eq/KRW 100 million in 2026, a reduction of about 16% from 5.55 tCO₂eq/ KRW 100 million in 2022, and its long-term goal is to achieve net-zero greenhouse gas emissions by 2050. We are currently advancing our GHG roadmap and reduction portfolio, and plan to change from managing GHG emissions on a per-unit intensity basis to a gross basis.

GHG Emission Reduction Target

Year	Unit	2022 (Performance)	2023	2024	2025	2026
GHG Emission Intensity	tCO ₂ eq/KRW 100M	5.55	5.32	5.09	4.88	4.67



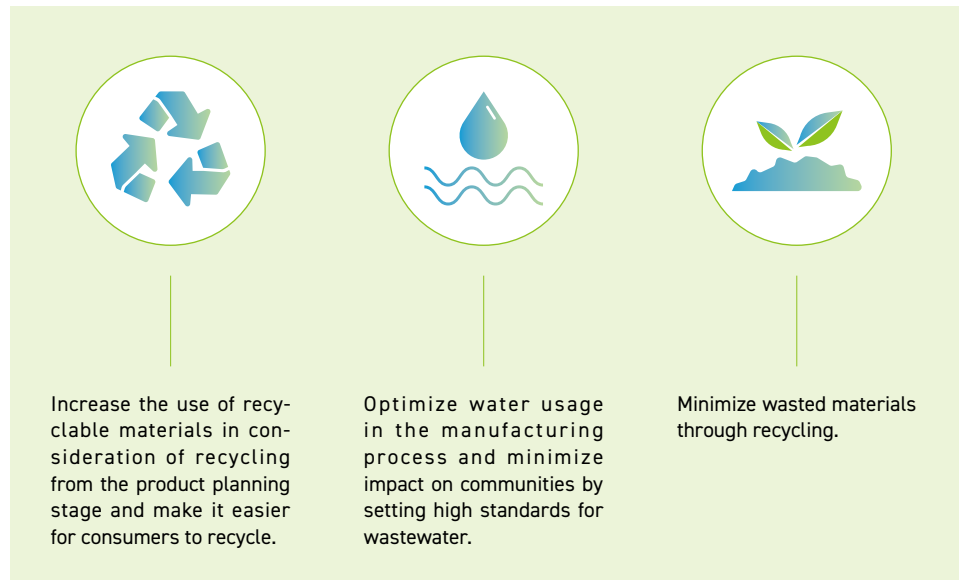
Resource Recycling

Pulmuone is committed to recycling resources based on recycling or upcycling technologies instead of single use consumption. To this end, various programs have been implemented throughout the entire product process, such as reducing wastewater generation and increasing water reuse, minimizing waste from the product planning stage while reducing the use of hazardous chemicals, and launching R&D projects to develop recycling processes for food waste.

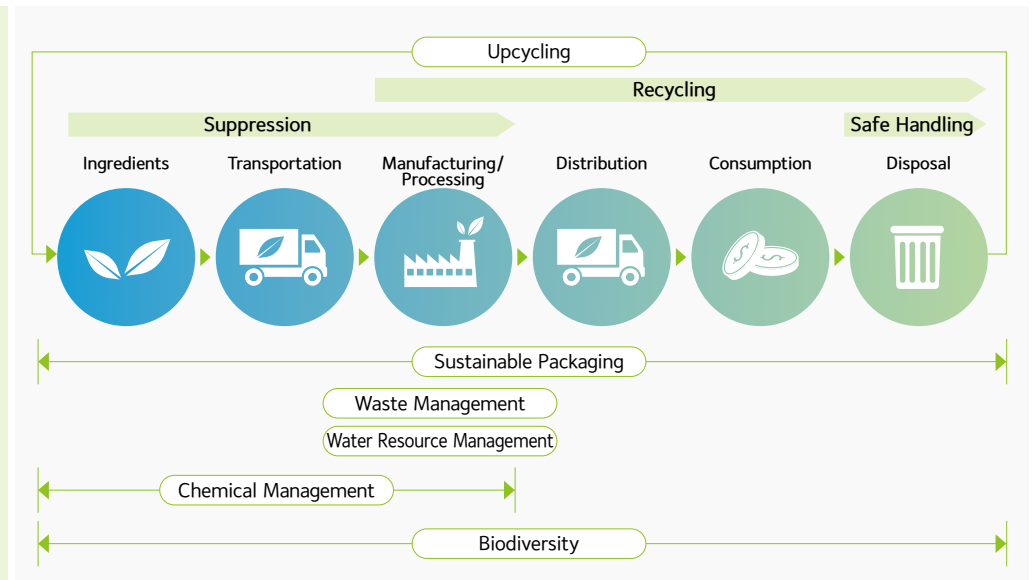
Resource Recycling Policy

In 2022, Pulmuone announced its corporate mission, "To Create Healthy Tomorrow for the People and Planet with Wholesome Foods," and has operated its business with a focus on resource recycling from the product planning stage through production to final disposal stage to support the mission. The direction of our resource recycling policy is ▲ increasing the use of materials and applying resource recycling from the product planning stage to make it easier for consumers to recycle, ▲ optimizing water usage in the manufacturing process, and ▲ minimizing wasted materials through recycling.

Resource Recycling Policies



Scope of Resource Recycling



Sustainable Packaging

Recognizing the seriousness of environmental pollution caused by packaging materials, as the quality of life improves and lifestyles change due to industrial development, it becomes essential to take a more proactive approach so that we can pass Earth to future generations. Considering the characteristics of industries that make daily products such as food and beverages that are used and discarded every day, we are promoting eco-friendly packaging policies and continuously introducing more efficient measures to develop eco-friendly containers at the product development stage.

Goals & Plans

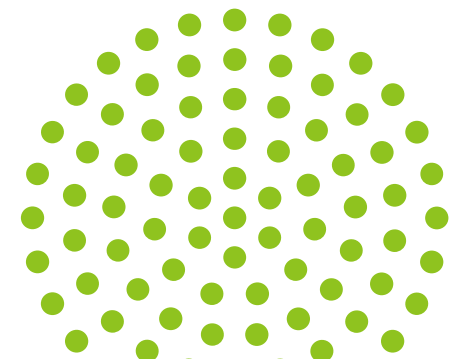
In order to maintain a virtuous cycle of packaging materials for a more sustainable future where people and nature coexist, we have established three principles of sustainable packaging: ▲ use eco-certified materials, ▲ design eco-friendly recycling technologies and ▲ reduce the use of plastic, and created a roadmap for more sustainable eco-friendly packaging.

Action Plans	Objectives
1. Use eco-certified materials - Use eco-friendly bio-based and biodegradable packaging materials	<ul style="list-style-type: none"> • Apply bio-based materials to tofu trays and beverage bottles in 2023
2. Design eco-friendly recycling technologies - Use physically and chemically recycled materials for a virtuous cycle of resources - Design packaging with a single material to make it easy to recycle	<ul style="list-style-type: none"> • Introduce and apply PCR products to natto in 2023 • Change film packaging using a single material by developing a barrier by 2025
3. Reduce the use of plastics - Replace plastic materials and the weight of packaging, and minimize unnecessary packaging (use paper materials and plant-derived materials, reduce packaging size and thickness)	<ul style="list-style-type: none"> • Replace plastic trays with paper ones in ready meals by 2023

Progress in 2022

Completed packaging technologies: bio-plastic, recycled PP packaging, single-material PE packaging (goal achieved)

Reduction of plastics: 104 tons/year



Waste Management

Pulmuone recycles recyclable food waste generated during the production process, and this is recognized as a resource recycling under the "Circular Resource Recognition Program." We are contributing to the reduction of environmental impact by recycling waste that would otherwise be disposed of in landfills or incinerated.

Goals & Plans

In order to minimize the environmental impact from waste generation, Pulmuone applies the principles of strict waste separation and collection at all of its business sites, and has set a waste reduction target of 7.8% per unit in 2022. We are making steady progress in improving the unit level of waste by identifying recyclable waste and taking the lead in minimizing food waste by introducing advanced food processors.

Progress in 2022

Waste reduction : 1,122 tons compared to 2021 (Including the amount recognized as recyclable resources)

9.0% reduction in raw materials (1.2% over the target)

Expanded the scope of recyclable resources : Eumsung Tofu (2020), Fresh Noodles/Uiryong Tofu (2021),

Doan Green Juice (additionally recognized in 2022, 1,107 tons/year)

Zero Food Waste from Uiryong Tofu : 47.45 tons/year

*At manufacturing sites

Water Resource Management

Water is an essential resource for our production and business operations, and directly linked to the risk of natural disasters. In the food industry, which requires large amounts of clean water, it is more likely to impact biodiversity in our local communities. Therefore, we have set our own standards for water management that are higher than the legal requirements and are actively investing in the process.

Goals & Plans

Pulmuone maintains its permissible levels of environmental pollutants at its sites that discharge directly into water systems at 50% of the legal limit or agricultural water quality standards. To this end, we are investing in improving wastewater treatment facilities and optimizing their operations. However, it is difficult to directly reuse the water used in the production of our products. Therefore, we are focusing on the method of reusing water indirectly.

Action Plans	Objectives
1. Increase water reuse - Invest in facilities for reusing water for utilities, cleaning and restrooms	<ul style="list-style-type: none"> • Circulate defrosted water in the unit cooler • Reuse RO backwash and wash water for cleaning • Reuse bean juice cooling water for wastewater treatment plants, cooling towers, and restrooms
2. Optimize operations for using water resources - Support measures to reduce water consumption - Introduce facilities for optimizing water consumption	<ul style="list-style-type: none"> • Change the process during the vegetable growing process • Standardize bean cleaning process • Improve the cooling system for the concentration line
3. Establish wastewater standards above the legal limit - Operate wastewater treatment standards over the legal limit to minimize the impact on the ecosystem	<ul style="list-style-type: none"> • Analyze water quality on a regular basis and invest in water treatment facilities

Progress in 2022

Water consumption intensity : 6.2 tons/tons (water consumption/production),

Reduced by 2.9% (1.3% over the target)

Water consumption : Reduced by 162,000 tons/year*

*At manufacturing sites

Water Tank Cooling (Installed coolers) ▶



Chemical Management

Pulmuone is committed to managing chemicals in the process of formulating, producing, and selling food products. We conduct regular surveys of all chemicals used in our workplaces, and we continuously update our management standards by reducing the concentration of chemicals and replacing them with substances that are proven to be harmless.

In order to prevent risks associated with product quality, safety, and environmental pollution from the use of chemicals, we have established a set of principles, and strictly implement the approval and permission process for the use of new chemicals. All chemicals used in the workplace comply with legal standards for storage, use, and disposal, and we apply internal standards that are more stringent than the legal limits.



Biodiversity

At Pulmuone, we recognize the benefits and impacts of ecosystems and biodiversity, and engage in activities for conservation and sustainability.

Environmental Education for Coexistence with People and Nature

Under our corporate mission, "To Create Healthy Tomorrow for the People and Planet with Wholesome Foods," we have been carrying out various activities to respect biodiversity and promote its values. The Pulmuone Foundation has organized environmental education programs such as "Good Cleaning Class," "Blue Sea Class," "Viruses and Earth Environment Class," and "Pick-up Campaign" for preschoolers and elementary school students. Going forward, we will continue to make a difference through education so that future generations can make our environment more sustainable and promote the coexistence of people and nature.



Good Cleaning Class
 Educating students on cleaning by making cleaning fun and cultivate the habit of cleaning



Blue Sea Class
 Online and offline education programs to raise awareness of the importance of coexistence with the sea, the seriousness of marine pollution, and activities to protect the ecosystems
 (Online program created in 2021 due to COVID-19)



Viruses and the Earth Environment Class
 Teaching about the causes of viral infections and providing information on how to prevent them from a scientific and environmental point of view



Pick-up Campaign
 A follow-up program to environmental education where children learn to pick up trash in their daily lives

Progress in 2022

Good Cleaning Class: 538 sessions, 12,187 participants (reached 108% of the target)

Blue Sea Class: 168 sessions, 3,985 participants (reached 168% of the target)

Viruses and the Earth Environment Class: 63 sessions, 1,618 participants (reached 126% of the target)

Pick-up Campaign: 19 times (reached 128% of the target)

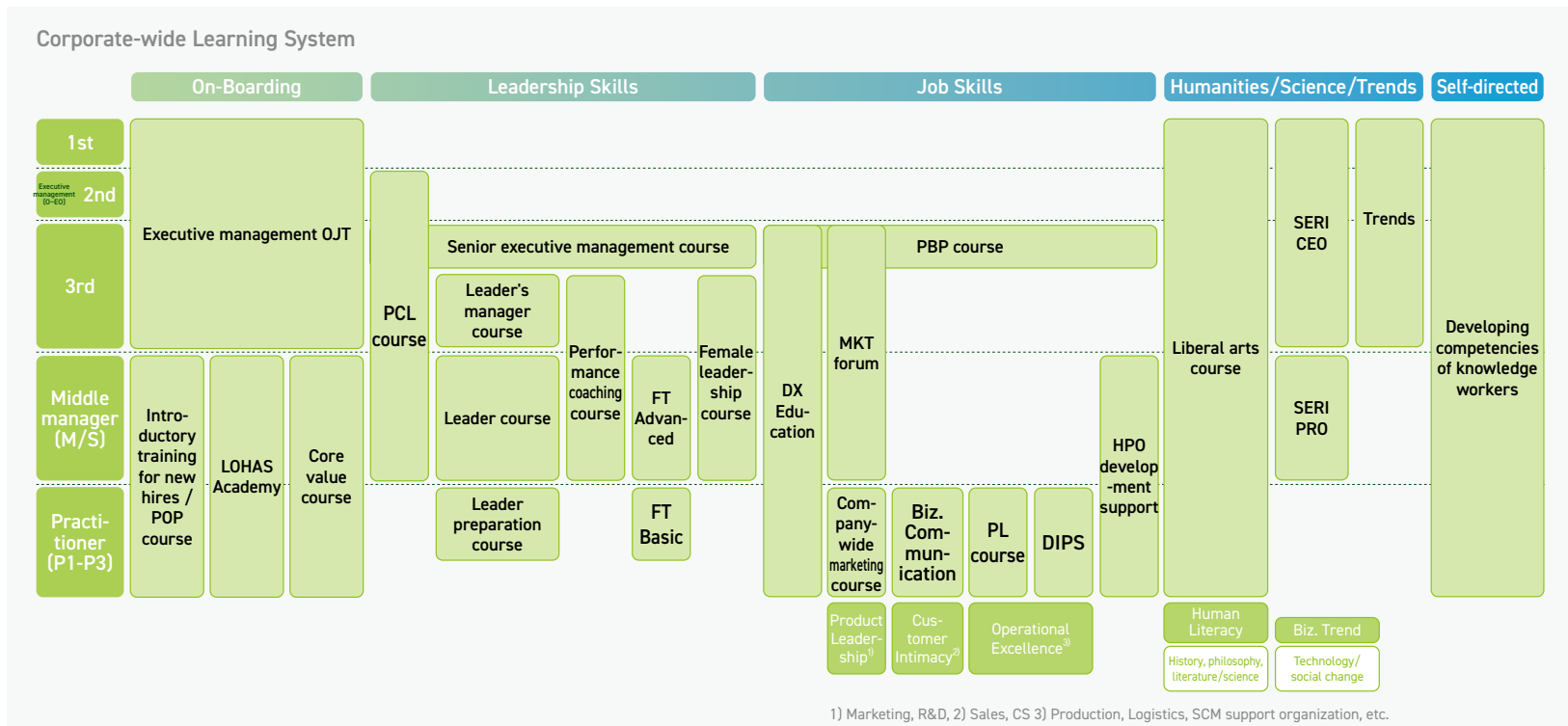
Social Responsibility Management

At Pulmuone, we support the growth of our employees. By creating a culture of learning and organizing competency training programs, we foster professionalism and support self-development and growth, which can lead to a virtuous cycle, enhance job satisfaction, and ultimately achieve the goals.

Talent Development

Talent Development System

In order to help our employees to achieve their best job performance, we have developed a set of policies to strengthen employee capabilities using online and offline channels, and support various education and training programs. We are organizing a wide range of training programs for leaders and team members including female leadership courses for diversity, and liberal arts courses on the subjects of humanities and science. We also provide KRW 1.2 million per employee per year to cover training expenses to support their self-development. Employees can use the fund to take online and offline courses such as E-learning or purchase training materials and books.



Goals & Plans

Pulmuone has developed digital talent training programs in line with the positions and roles of individuals. Digital talent is divided into four groups: DX Leader, DX Tech Expert, DB Biz Expert, and DX Citizen. The goal is to foster organizational members who understand the DX flow, have DX literacy, and are able to change the way they work. The data analysis training program is designed to select personnel to work on DSF (Digital Smart Factory), acquire data analysis methodology, and identify and perform real-world tasks over the course of 5 months.

Performance & Monitoring

- Number of employees who participated in training courses (cumulative): 12,014 employees/ Training hours: 86,449 hours / Average training hours per person: 13.2 hours

Digital Talent Development Plans

Pulmuone digital talent (categorized by target)

- Divided into 4 groups based on positions and roles (subject to talent development except for DX Tech Experts who are trained by external IT training institutes)

Category	Pulmuone leadership group	DX key talent	DX platform building/utilization	Relatively low relation to DX
Definition	• Deliver tangible results in support of Pulmuone DX strategy	• Implement digital products	• Digitize the existing value chain	• Innovate daily work process
Target	• Team Leaders & Executive Officers	• Digital Innovation Office / IT Office	• DX platform organization	• All other employees
	DX Leader	DX Tech Expert	DX Biz Expert	DX Citizen

Subject to Digital Academy | *Provided with external course if required*

Training course will be provided separately to executives and team leaders.

Management System



Evaluation & Compensation

Pulmuone discusses ways to ensure fair HR management and support talent development at the corporate-wide level through Session C, an executive HR council organized by the General CEO.

Management by objectives

The annual target for major businesses and related competencies for each individual/team leader and higher-level employees are reflected in CfS (Career for Success), an individual performance target. Performance management is conducted semiannually so that each individual's performance is linked to the achievement of team's target. CfS is evaluated once a year, but the progress is reviewed quarterly or semiannually to manage, update, and supplement the process. This helps to maintain a momentum and ensure more efficient performance management.

Evaluation of Organizational Contribution (Team-based performance appraisal)

Based on the CfS evaluation results, the relative contribution of each division and team is evaluated and divided by the team average to ensure fair evaluation.

360 Degree Multidimensional Evaluation

We have introduced a new evaluation method where feedback is provided from various perspectives, including the employee, supervisor, colleagues, and subordinates, rather than leaders unilaterally evaluating job performance. Then, the feedback is collected and the identity of the evaluators remains anonymous.

Fairness and Diversity

Pulmuone does not tolerate any kind of discrimination for reasons of gender, origin, and disability, and strives for fair and reasonable evaluation and compensation. At the same time, we are committed to promoting female leadership in order to achieve our goal of 30% female executives by 2026 to support gender equality.

Working Environment

For the healthy growth and continuous development of employees, Pulmuone creates a work environment where employees can immerse themselves in their work and operates various programs to support work-life balance.

Pulmuone Working Environment Programs

Family-friendly Programs	<ul style="list-style-type: none"> • Reduced work hours for pregnancy/parenting • Leaves for childbirth, paid parental leaves (52 weeks,) leaves for prenatal check-up • Childbirth leaves for spouse, family care leave • Childcare assistance • Nursing rooms • In-house daycare center • Congratulatory money for childbirth • Tuition for children • Congratulatory money for school enrollment • Congratulatory money for marriage (5 anniversaries-worth) • Support for disabled children • Support for funeral arrangements
Leisure Programs	<ul style="list-style-type: none"> • Support for condominium • Support for club activities
Leaves & Work Schedules	<ul style="list-style-type: none"> • Leaves for family-related matters • Annual leaves, summer vacation leaves, official leaves • Remote work, flexible work schedule (Optional work hours, discretionary work hours, flexible commuting)
Training	<ul style="list-style-type: none"> • E-learning expense support • Foreign language training support
Healthcare	<ul style="list-style-type: none"> • LOHAS nutrition counseling • Group insurance and individual pensions • Medical check-ups
Lifestyle	<ul style="list-style-type: none"> • Optional Welfare Points • LOHAS Points • Assistance for purchasing the company products • Public interest loans • EAP (Employee Assistance Program, psychological counseling)
Rewards	<ul style="list-style-type: none"> • Long-term employment awards • Excellent conduct awards

A family-friendly system

Reduced Working Hours During Pregnancy

We apply reduced work schedule of up to 2 hours per day without loss of pay to our female employees during the first 14 weeks of pregnancy or after 34 weeks, which is beyond the statutory requirement period. This is to preserve the purpose and effectiveness of the system to cover the case where pregnancy is found late in the first trimester and take pre- and postnatal leave beforehand.

Leaves for Prenatal Check-up

We offer leaves for prenatal check-ups for spouses to support gender equality in response to the increasing roles of men in childbirth and childcare.

In-house Daycare Center

We operate a 495m2 in-house daycare center on the fourth floor of our Suseo Office in Seoul. The daycare center uses eco-friendly materials and has an open space (Dodamtteul) where parents and children can play together, considering the health and emotional development of children. It is under the management of Hansol Hope for Education Foundation to support the continuity of education from ages 1 to 5 through high quality curriculum and educational programs.

Support for Children's School Enrollment

We allow employees to apply for leave once in March when their child enters elementary school and choose either work from home or take five days of unpaid leave, which helps ease the burden of employees who have preschoolers.

Work-Life Balance Programs

LOHAS Nutrition Counseling

The LOHAS Nutrition Counseling Program is designed to provide employees with personalized health solutions based on their conditions, including body composition and blood pressure. LOHAS Dietary Assessment Test is conducted by a clinical nutritionist at our workplace and consists of an 8-week program (5 sessions at 2-week intervals) and follow-up sessions (4 sessions at 1-month intervals).

Any Pulmuone employee can join the program.

EAP (Employee Assistance Program)

The EAP (Employee Assistance Program) is designed to help employees who are experiencing psychological distress to restore their quality of life through counseling, and improve productivity by helping them to be more engaged in their job. Up to 8 EAP sessions are available for individuals along with group counseling for each unit.

Insurance and Pension Programs

In addition to medical insurance, industrial accident compensation insurance, employment insurance, and national pension, Pulmuone provides insurance and pension programs to help our employees prepare for unexpected accidents, which may occur during work, and life after retirement. To promote employee benefits, we have purchased group insurance policies to provide compensation in the event of an accident or illness. We also have a DB (defined benefits) pension system that provides company support until the time of retirement and can be paid even after retirement.

2022 Defined Benefit (DB) Pension Management

No. of pension policy holders	395
Amount under management (KRW 1M)	20,611

* Pulmuone Corporate



Communication with Employees

Employee Communication Policy (Channels & Goals)

The members of Pulmuone are key stakeholders who work together with the aim of achieving the company's mission and vision. The understanding and cooperation of employees are essential for the company to successfully make major decisions and implement its policies. With this in mind, Pulmuone engages its union representatives in the communication process by sharing information through a quarterly labor-management council meeting when any significant changes in business operation are expected. In addition, we leverage multiple communication channels to share the corporate vision, aspiration, management status, and other information with employees, giving them a sense of ownership and an opportunity to participate in the management process.

In-house Communication Channels / Activities

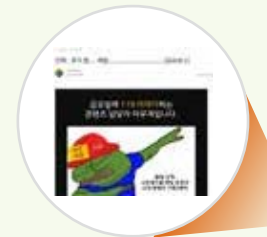


Feedback Program & Performance

※ Consensus through online and offline communication channels

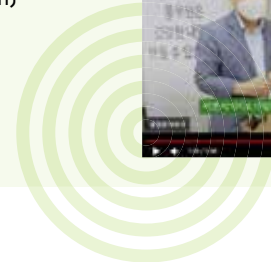
Online

Communication through Green Table Content in 2022



Offline

Chuseok holiday session through [Bringing a Healthy Tomorrow] in 2022 (monitoring system)



Win-win Labor-Management Relations

Labor-Management Policy

Pulmuone guarantees its employees the freedom of association and the right to collective bargaining in accordance with Article 20 of the Universal Declaration of Human Rights and the ILO* Fundamental Conventions (Freedom of Association and Protection of the Right to Organize Convention). In accordance with the Constitution and the Trade Union and Labor Relations Adjustment Act, Pulmuone fully guarantees its employees the right to establish a labor union or another form of representative body, giving every employee the right to join a labor union.

Joining Labor Union and Collective Bargaining Rates

Under its own labor union rules, Pulmuone employees are entitled to join a labor union. We prioritize safety and security in the workplace and ensures full compliance with occupational safety laws and provide a safe working environment to protect our employees from risks caused by their work. Collective bargaining takes place when renewing the collective agreement and determining a wage increase. Wages and collective agreements are determined in even-numbered years; on odd-numbered years, only wage agreement is renewed. Every union member is subject to the collective bargaining agreements made by each respective union, and the company maintains good faith in collective bargaining process with labor unions.

Labor union membership rate

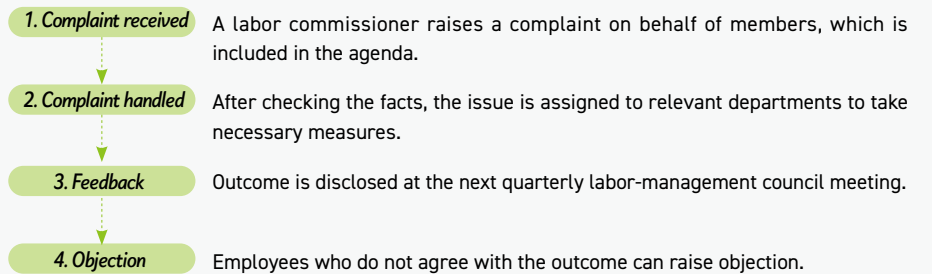
Category	Unit	2020	2021	2022
Labor union membership rate	%	83.2	88.4	87.9

* Membership qualification: all employees in domestic production facilities

Communication Status

Pulmuone holds the Open Committee every quarter to deal with employees' grievances, listen to their complaints about labor practices that management did not understand, and share solutions for resolving them. The Open Labor-Management Committee means a labor-management council defined by the Act on the Promotion of Worker Participation and Cooperation. In order to prevent safety and health issues at the business sites, Pulmuone has organized the Industrial Safety and Health Committee at the legally subjected sites and held quarterly meetings. We also have the Factory Safety Committee and the Industrial Safety Working Group for domestic manufacturing and logistics business sites, including other business sites.

Grievance Handling Process



Products & Services

Sustainable Food Policy

It is essential to establish a corporate-wide management system for sustainable food production as it requires thorough hygiene, safety, and nutrition throughout the entire process, from raw materials and manufacturing processes to packaging, logistics, and storage. Since its foundation, Pulmuone has been committed to providing wholesome foods for consumers and their families and establishing a rigorous system for food safety management and infrastructure for the compliance with these standards.

Food Poisoning Prevention System

The food poisoning control team has classified foods which are manufactured, distributed, and sold in all of our business sectors. This classification work is based on the types of ingredients, possibility to affect the hazardous level in food manufacturing processes, and ways the food is consumed by consumers. We also conducted more rigorous food poisoning prevention management for high-risk products. For these activities, we have benchmarked the USDA's* on-site management system at its production front-line by dispatching monitoring personnel to suppliers that use or produce ingredients with the risk of food poisoning to conduct on-site quality management. We also launched the IoT-based (Internet of Things) real-time monitoring system to control CCP** processes and microorganisms in the production process.

* U.S. Department of Agriculture, **Hazard Analysis and Critical Control Point

Food Poisoning Prevention Process

Step	Classification	Description
1	Evaluation of potentially hazardous foods	Evaluating potentially hazardous foods for new products, evaluating potentially hazardous foods for retail products
2	Resident management	Conducting resident management of production suppliers based on the results confirmed through Pulmuone's evaluation of potentially hazardous foods
3	Preventive care	Applying EPM (Engineering Project Management) to suppliers that manufacture "ready-to-eat (RTE) foods with no sterilization process after packaging" and "foods that can become re-contaminated in the environment from heat treatment to packaging process"
4	Full inspection	Conducting full inspection of potentially hazardous foods that are manufactured, produced, and distributed in Steps 1-3
5	Real-time monitoring	Establishing and operating CCP real-time monitoring system

Promotion of Health & Nutrition

Pulmuone has established the Pulmuone Nutrition Management Standards to reduce the consumption of sodium and sugars and implement nutrition management programs for its products. Based on the new standards, the Corporate Technology Office selected product groups that tend to add sodium, sugars, and saturated fat in the process of production and set a limit to these ingredients per serving to ensure compliance with the standards.

Goals & Plans

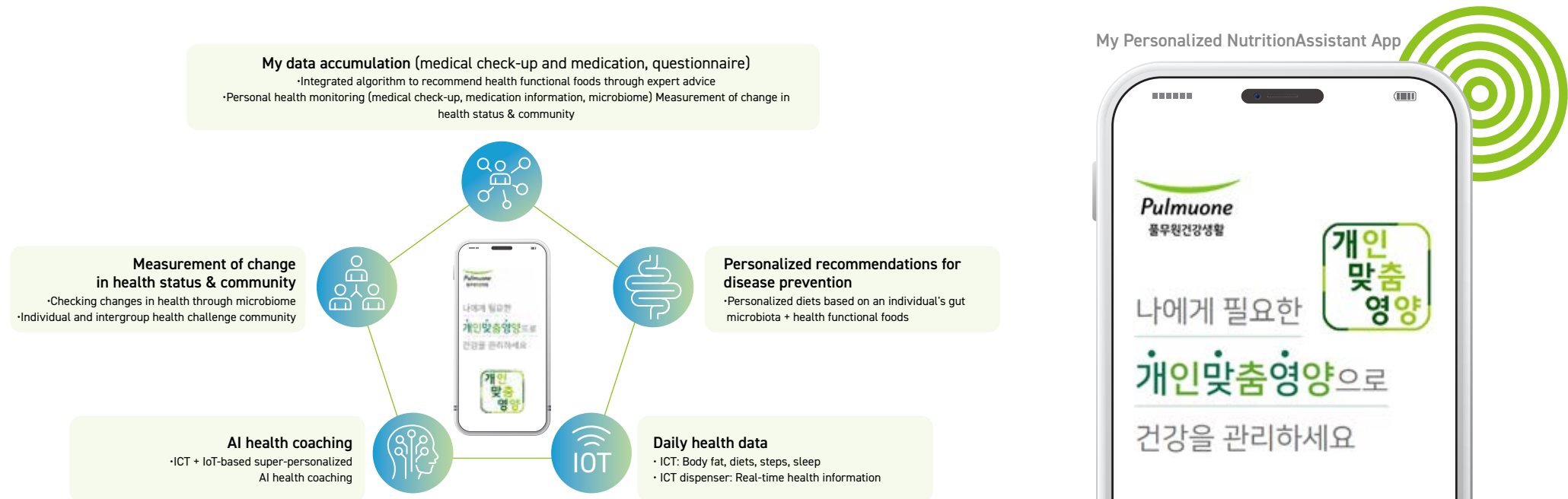
It is essential to establish a corporate-wide management system for sustainable food production as it requires thorough hygiene, safety, and nutrition throughout the entire process, from raw materials and manufacturing processes to packaging, logistics, and storage. Since its foundation, Pulmuone has been committed to providing wholesome foods for consumers and their families and establishing rigorous food safety management schemes and infrastructure to maintain these standards.



Expansion of Personalized Health Functional Food Market

There is a steady increase in demand for tailor-made foods for individuals that recommend customized diets and nutrients for customers' health. In July 2022, Pulmuone Health & Living launched the "My Personalized Nutrition Assistant" app which analyzes individual health data with AI customized algorithms based on its existing personalized health functional food service. Going forward, we are going to expand the market for personalized food that provides customers with peace of mind, personalized dietary recommendations, and management.

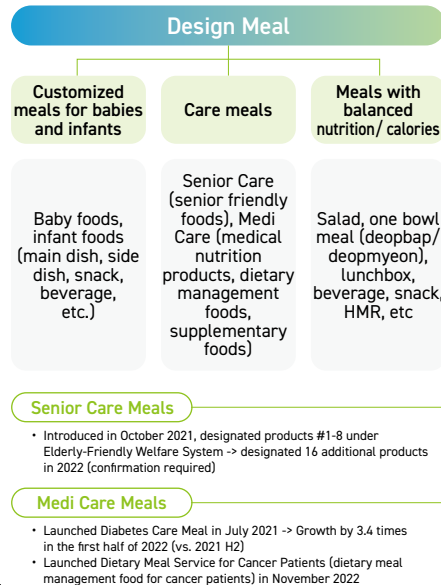
Main Features of My Personalized Nutrition Assistant App



Expansion of Design Meal Care Market

As a total dietary healthcare platform, Design Meal offers customized meals for infants (baby foods, infant foods), care meals (Medi Care, Senior Care), and nutrition/calories balanced meals (weight control meal plan, etc.) designed for customers with different life cycles. Going forward, we will continue to expand our dietary healthcare sector to meet more personalized consumer needs and develop into special medical applications.

Design Meal App



Progress in 2022

Pulmuone conducts more than 22,000 safety and health impact assessments every year, prioritizing food safety as the largest risk in the food industry, in order to ensure the safety of our customers, build trust and create values.

No. of Safety & Health Assessments over the Past Three Years

2020	2021	2022
23,834	22,017	22,885

* Based on the number of samples commissioned to the Laboratory Information Management System (LIMS) used by the Food Safety Center.



Communication with Customers

Pulmuone recognizes the voice of the customers as valuable assets to keep customers satisfied and improve their experience with its products. Through various communication channels including Customer Satisfaction Center, Q&A section on the website, social media, online shopping malls, and chatbots, we collect feedback, complaints and suggestions, and use them to make improvements.

Customer Communication Policy

We are committed to minimizing customer complaints by analyzing the voice of the customers collected through the Customer Satisfaction Center, a department dedicated to customer satisfaction, identifying the causes of their complaints about products and distribution, and preventing recurrence (mid- to long-term goal: maintain the customer satisfaction survey score over 93).

Complaints Handling Process

※ Go to Customer Satisfaction Center



Progress in 2022

VOC Data Collect Results in 2022

(Unit: 1,000 cases)

Total	Research before purchase	Orders and payment	Use of products	Delivery	Service management	Company
161	18	35	27	25	15	41

Results of CS Center's Satisfaction Survey

(Unit: point)



* Customer satisfaction scores differ from those in the 2021 Integrated Report due to a change in the methodology for calculating customer satisfaction.

Managing Department & System



Information Security

Pulmuone is taking proper security measures to protect customer personal information, company assets and trade secrets including recipes for major products with the growing risk of cybersecurity threats, and is strengthening the information protection organization that can manage and operate the security infrastructure. We are taking administrative, technical, and physical protection measures in domestic and overseas business units by appointing a Chief Information Security Officer (CISO) who supervises information protection work with specialized knowledge and a Chief Privacy Officer (CPO) who supervises personal information work. We have also established a Risk Management Committee attended by executives from each business unit to deliberate and decide on major information protection issues.

In order to manage customer information and information assets more systematically and efficiently, Pulmuone has established its own information protection regulations, policies, and guidelines. The regulations include the highest standards of good conduct that employees must follow for the protection of personal information and information security, and the personal information protection policy and information protection policy allow employees to work more securely by specifying further details.

Pulmuone Information Protection Regulatory System



Goals & Plans

In order to manage customer information and information assets more systematically and efficiently, Pulmuone has established the information protection regulations, policies, and guidelines. The regulations include the highest standards of good behavior that employees must follow for personal information protection and information security, and the personal information protection policy and information protection policy allow employees to work more safely by further specifying the details.

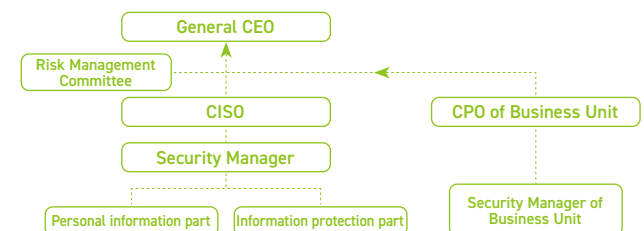
- 1. Introduced an integrated log management system to enhance cyber breach response capabilities** : An integrated log management system has been established to secure visibility into cyber threats and security violation of customer data and trade secrets. The logs of individually operated information security systems are collected and managed, enabling accurate and fast analysis through correlation analysis among events.
- 2. Advanced security systems** : Outdated security systems have been replaced with the latest ones, such as IPS* and internal firewall, to detect and defend against new threats. By upgrading the security systems, we are able to respond to cyber-attacks and secure service availability.
- 3. Strengthened internal security authentication** : 2 factor*** based on FIDO*** has been applied to key systems that hold trade secrets and personal data. By applying enhanced user authentication, we have strengthened security against phishing, social engineering, and brute force attacks.
- 4. Enhanced the training for personnel with access to personal information** : A curriculum for personal information is conducted twice a year according to the characteristics of each job (e.g., roles, legal entity) based on the company's current status.
- 5. Vulnerability testing and simulated hacking on external web services** : Vulnerability testing and simulated hacking of websites are conducted for major customers and suppliers followed by necessary actions on detected vulnerabilities.
- 6. Established and revised security regulations and policies** : The security regulations, guidelines and privacy policy, which serve as the basis for security and privacy activities, have been updated to reflect changes in regulations and the business environment.



Progress in 2022

In November 2022, Mr. Song Ki-jung, Pulmuone's CISO (Chief Information Security Officer), was awarded a citation by the Ministry of Trade, Industry and Energy for his contribution to the protection of industrial technologies and national development.

Management System



Sustainable Supply Chain

Pulmuone actively promotes mutual growth with its suppliers to ensure sustainability in its supply chain, while protecting the human rights of all stakeholders and building an eco-friendly supply chain.

Sustainable Supply Chain Policy

Pulmuone's entire business activities, such as manufacturing products and providing services, are closely linked to various supply chains. All stakeholders affected in this process should be respected as human beings, and should not be treated mentally or physically in an inhumane way. The management of environmental and social impacts and risks that may occur in all processes of product and service production, such as procurement, transportation, manufacturing, and logistics of raw and auxiliary materials, is essential not only for Pulmuone, but also for all suppliers and stakeholders. Pulmuone is making various efforts to build a sustainable supply chain.

<p>Responsible Procurement</p>	<p>Pulmuone Purchase Policy The Purchase Policy applies to all direct and indirect purchases of goods and services by the employees of Pulmuone and all its business units (subsidiaries). It states rules on purchase practices such as the prohibition of unfair acts and bribery and security of supplier information (Chapter 5), matters related to the management and support of suppliers including performance evaluation (Chapter 8), and definitions and management processes for types of risks and other ESG factors such as compliance, human rights, ethics, and environment (Chapter 9). * 2022 key raw material purchases (Unit: EA) - Eggs: 21,527,240 / - White beans: 13,222,370 / - Soybeans: 3,271,967</p> <p>Green Purchase Guidelines Pulmuone has established guidelines to consider eco-friendly practices and materials from suppliers in the early stages of the purchasing process to minimize the impact of food on the human body and the environment, efficiently use limited resources and create a sustainable environment and human life.</p>
<p>Audit Diagnosis / Audit</p>	<p>Code of Conduct for Suppliers Pulmuone established a Code of Conduct for Suppliers to help our suppliers fulfill their corporate social responsibility and ensure that suppliers agree to comply with it while doing business with us. The Code of Conduct for Suppliers specifies Pulmuone's requirement for our suppliers to build a safe working environment, respect the human rights of their employees, and fulfill their environmental obligations, while conducting their management activities in an ethical manner. Pulmuone amends the Code of Conduct through ongoing communication with suppliers and visits the supplier's operations to conduct due diligence to make sure they abide by the code.</p> <p>Pulmuone Food Safety Management System Pulmuone conducts supplier audits once a year based on the checklist of 220 items in 17 sections from the PFSMS (Pulmuone Food Safety Management System) Manual. This is a set of guidelines for Pulmuone's food safety practice that reflects international standards, such as ISO 22000, FSSC 22000, ISO/TS 22001-4, SQF, and BRC, based on domestic laws and regulations and HACCP. To help suppliers understand, apply, and comply with the PFSMS, we have developed a manual that defines the requirements of each section and distributed them through our sourcing portal and food safety conferences.</p>

Support for Mutual Growth

Mutual Growth System

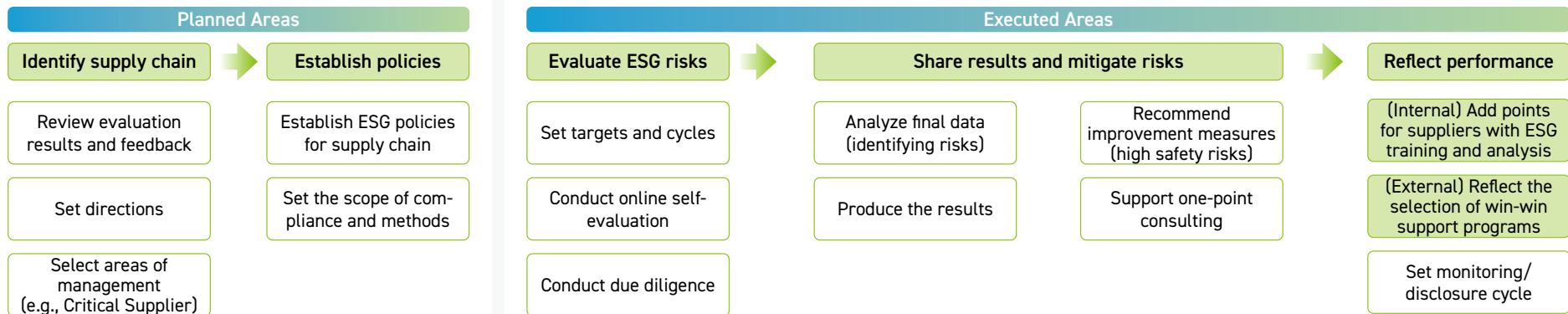
Our goal is to grow together with our supply chain while considering their sustainability. Various support programs have been implemented to help with their finance, training, equipment, and certification. In recognition of these efforts, Pulmuone Food gained the "Excellent" rating in the Shared Growth Index, which is a comprehensive performance evaluation of shared growth and fair trade agreement.

Mutual Growth Operation System

Pulmuone operates the Mutual Growth Office and the Mutual Growth Committee as its consultative body with the aim of implementing fair subcontracting and realizing mutual growth with partners. The Mutual Growth Committee holds a fair trade meeting on a monthly basis to prevent any violation in subcontracting and proactively deal with suppliers' opinions and operates and supports various programs for mutual growth.

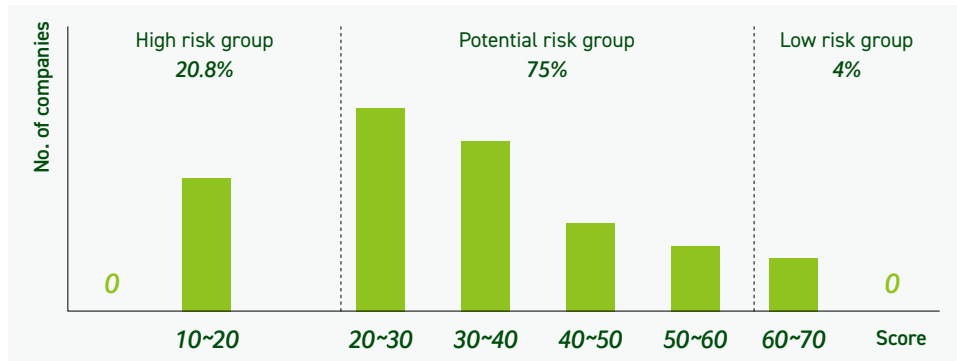


ESG Supplier Management System



Risk Monitoring of Supply Chain Sustainability

Pulmuone has planned and implemented a project for an ESG (Environmental, Social and Governance) diagnosis support targeting its suppliers from the second half of 2021 in order to share its experience and know-how with suppliers in the pursuit of ESG. However, in light of the reality that most of our suppliers are small and medium-sized companies, we are focusing on providing supports to help them promote optimized ESG management.



The key action plans based on the ESG analysis of suppliers in 2022 include ▲ raising ESG awareness, ▲ supporting the improvement of ESG management capabilities, and ▲ implementing a system for measuring GHG emissions. To raise ESG awareness, we supported ESG and environmental training in December 2022 and will support one-point ESG consulting for suppliers in 2023. The GHG emission monitoring system is currently under construction and expected to be completed in the second half of 2023. Suppliers will be able to access the system to manage their own GHG emissions.

Status of Critical Suppliers (as of June 2023)

No. of suppliers **597** companies | No. of critical suppliers **44** (18.5%) companies

* Scope of suppliers: Suppliers managed by the CSO (Corporate Strategic Office) and suppliers for direct purchase (Excluding those not subject to management [e.g., one-time/short-term contractors])

Win-win Cooperation

To ensure fair trade with suppliers and subcontractors, Pulmuone has adopted four main action plans to promote win-win cooperation between large companies and SMEs (guideline) established by the Fair Trade Commission.

Four Areas of Action for Mutual Growth

Category	Description
1. Practices to conclude desirable contracts for mutual cooperation between large companies and SMEs	<ul style="list-style-type: none"> Establish infrastructure for concluding a contract Conclude a contract guaranteeing self-determination Diligently carry out contract based on the agreement and relevant laws and regulations
2. Practices to ensure fair selection (registration) of suppliers	<ul style="list-style-type: none"> Promote fairness in the standards and procedures for selecting a supplier Establish standards for canceling supplier registration and fairness in procedures
3. Practices to install and operate internal subcontracting review committee	<ul style="list-style-type: none"> Organize an internal subcontracting review committee Conduct preliminary review for selecting a supplier, contracting, and determining price Conduct preliminary review for the standards and procedures for contract termination of suppliers
4. Practices to correctly issue and conserve documents in subcontracts	<ul style="list-style-type: none"> Issue various documents in the process of subcontracting Conserve issued documents Establish the practice of issuing and conserving documents

Progress in 2022

Mutual Growth Programs

Shared Growth Fund (raised by Pulmuone)	KRW 2.5 billion	Payment through Win-win Payment System	KRW 232.5 billion
Financial support for suppliers	Direct support: KRW 120 million Mixed support: KRW 4 billion	Building digital clusters	6 companies, KRW 120 million
Support for "tomorrow's fill deduction"	2 suppliers supported	AQS* certification	3 companies

* Animal Quarantine Service

Response to FSVP**/HARPC*** **18** companies

Mixed support **KRW 4 billion** for mutual growth fund

Training for domestic green bean producers

** Foreign Supplier Verification Program
 *** Hazard Analysis and Risk-based Preventive Controls

Training Support for Suppliers in 2022

No. of programs **4** programs

Training hours **12** hours

No. of participating employees of suppliers **392** participants

Direct support **KRW 120 million** for digital clusters

Technical data deposit agreement **1 case / 248 farms**

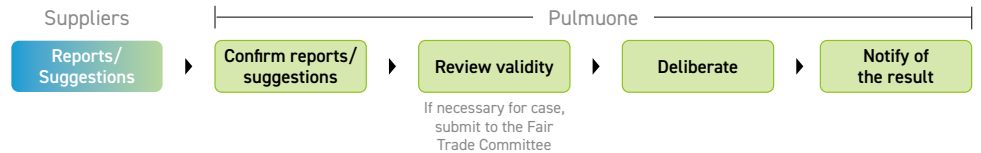
No. of training sessions **7** sessions

No. of suppliers participating in training **381** suppliers

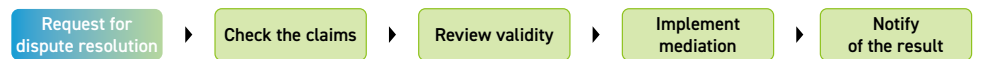
Grievance Handling for Suppliers

We have online channels for communication with suppliers to collect reports and suggestions, and resolve disputes. We also make sure our employees promote the grievance channel when signing contracts through the Sourcing Portal and Shared Growth Newsletter. In 2022, there was one case of supplier grievance raised through the grievance channel and no safety and health-related case. 100% of the supplier grievances were resolved.

Grievance Handling Process for Suppliers



Dispute Resolution Process with Suppliers



Social Value Creation

Pulmuone's social contribution is aligned with CSV (Create Shared Value) which is based on sustainable social value creation instead of one-off projects. We define and implement CSV strategies for Pulmuone and the Pulmuone Foundation to create economic values and even meaningful social values through our intrinsic business. Pulmuone generates economic values by providing products and services with LOHAS spirit to customers, while the Pulmuone Foundation contributes to creating social values through LOHAS social contribution programs. Both Pulmuone and Pulmuone Foundation build a virtuous circle for CSV through their core businesses, thereby contributing to the improvement of human health and the sustainability of Earth.

CSR Policy In line with our mission, "To Create Healthy Tomorrow for the People and Planet with Wholesome Foods," the Pulmuone Foundation conducts social contribution activities by raising awareness among people of all ages on the knowledge and lifestyle that contribute to sustainable growth in the areas of healthy food, environment, and society.

Pulmuone Foundation Value System



Goals and Plans

The Pulmuone Foundation fosters global citizenship and helps children contribute to creating a sustainable world through food, environment, and social education for children and people of all ages. We organize conscious education programs with a focus on healthy food in consideration of individual health and the environment, as well as programs on knowledge and lifestyle to support a sustainable environment. By conducting education to promote a healthy society, we are contributing to sustainable growth through scientific thinking, a sense of community, and respect for diversity.

Social Education

In 2022, we launched Education for Empathy and Coexistence, a community program based on scientific thinking. The Pulmuone Foundation is committed to creating a sustainable community through education.

Program	Education for Empathy and Coexistence
For	Elementary school students (ages 8-13)
Goal	Create sustainable communities by fostering a sense of community and scientific thinking
Description	<ul style="list-style-type: none"> 2 sessions for each group of students Understanding the concept of hate and discrimination through media literacy and fostering empathy and a sense of community with keywords: Self-reflective consciousness, mirror neurons, metacognition, and scientific thinking.

Wholesome Food Education Project

Program	Wholesome food education for kids	Wholesome food education for adults (parents, teachers)	Wholesome food education for senior citizens
For	Preschool children (ages 6-7) Elementary school students (ages 8-13) Elementary school students (ages 9-11) and their parents	Parents, childcare providers, dietitians, college students	Senior citizens (ages 65+)
Goals	Understand wholesome food and form good dietary habits early in childhood	Implement parents', teachers', and university students' healthy dietary habits as good food guides	Develop a good lifestyle (diet, sleeping, and exercise) for the elderly to improve their health
Description	<ul style="list-style-type: none"> One or two sessions for target Four programs: Nutritional Balance and Sense of Taste, Food Labeling, Animal Welfare, Parents-Children Education on wholesome dietary habits, cooking practice 	<ul style="list-style-type: none"> One session Dietary habits to lower sugar intake Education on GL diet theory 211 diet-related education, cooking practice 	<ul style="list-style-type: none"> Healthy lifestyle education 1:1 personalized nutrition counseling Integrated dietary habit improvement program (e.g., provision of essential health functional foods, etc.)

Environmental Education Project

Program	Good Cleaning Class	Blue Sea Class	Viruses and Earth Environment Class	Cleanup Campaign
For	Preschool children (ages 6-7) Elementary school students (ages 8-13)	Elementary school students (ages 11-13)	Elementary school students (ages 11-13)	Preschool children (ages 6-7) Elementary school students (ages 8-13)
Goals	A healthy lifestyle education program to build cleaning habits in early childhood	Help protect the marine environment by raising awareness on the importance of the ocean and the severity of marine pollution	Prevent viral infectious disease by educating on the causes of viral infection and preventive measures based on science and environmental perspectives	Spread the culture of eco-friendly practice through voluntary environmental clean-up activities
Description	<ul style="list-style-type: none"> One session for each group of students Cleaning habit education to help children enjoy the daily clean-up How to ventilate, tidy up, sweep, and wipe away and tackle the problem of fine dust 	<ul style="list-style-type: none"> One session for each group of students Learn about the importance of the ocean Learn about the seriousness of marine plastic pollution Teach how to care for and preserve the ocean 	<ul style="list-style-type: none"> One session for each group of students Causes of viral infections and prevention of COVID-19 infection Causes and prevention of zoonoses 	<ul style="list-style-type: none"> School clean-up: Cleaning activity around the school Pulmuone clean-up: Environmental clean-up activities for me and the earth to practice in daily life through an online platform

Progress in 2022

2022 Results of Wholesome Food Education

Category	Program	Awareness (K)			Attitude (A)			Behavior (P)		
		Before	After	Change	Before	After	Change	Before	After	Change
Whole-some Food	1. Nutritional Balance and Sense of Taste	63.4	84.6	21.2▲	57.5	75.9	18.4▲	68.8	77.5	8.7▲
	2. Food Labeling	67.0	95.0	18.0▲	35.7	69.5	33.8▲	35.8	59.3	22.5▲
	3. Animal Welfare	62.5	84.5	22.0▲	40.6	80.2	39.6▲	53.8	62.0	8.2▲
	4. Parents-Children	62.6	91.9	29.3▲	61.3	71.8	10.5▲	73.0	83.3	10.3▲
	Average	64.1	85.2	21.1▲	45.9	75.2	29.5▲	55.4	67.3	11.9▲

Category	Program	Satisfaction		Recommendation	
Whole-some Food	1. Nutritional Balance and Sense of Taste	87.4		80.4	
	2. Food Labeling	87.3		78.0	
	3. Animal Welfare	92.6		88.6	
	4. Parents-Children	87.8		79.9	
	Average	87.8		79.9	

2022 Results of Environmental Education

Category	Program	Awareness (K)			Attitude (A)			Behavior (P)		
		Before	After	Change	Before	After	Change	Before	After	Change
Environment	1. Good Cleaning Class	63.8	79.8	16.0▲	64.2	72.6	8.4▲	64.8	68.6	3.8▲
	2. Blue Sea Class	84.1	90.0	5.9▲	57.0	66.0	9.0▲	69.4	75.3	5.9▲
	3. Viruses and Earth Environment Class	79.0	89.1	10.1▲	55.7	65.0	9.3▲	52.3	57.4	5.1▲
	Average	71.6	83.9	12.3▲	61.0	69.6	8.6▲	64.3	68.6	4.3▲

Category	Program	Satisfaction		Recommendation	
Environment	1. Good Cleaning Class	82.6		74.9	
	2. Blue Sea Class	85.6		79.0	
	3. Viruses and Earth Environment Class	81.6		76.7	
	Average	8.3		76.3	

Governance

Governance

Pulmuone Corporate Governance Charter

Under its corporate governance charter, Pulmuone is committed to taking the lead in establishing effective corporate governance to protect the rights and interests of its shareholders, customers, employees, suppliers, local communities and other stakeholders through fair, transparent, and responsible management under the supervision of its independent Board of Directors.

Pulmuone CEO Meetings

Pulmuone holds CEO meetings to intensively discuss major management issues that are categorized as Session A (mid-term strategy), B (annual business plan), C (talent management), and D (ESG and environment/safety/health). The CEOs of each business, including the general CEO, check the status of each major management issue, discuss related risks, and set goals and make decisions until the next meeting. Meetings for Sessions A through D are held twice on a semiannual basis.

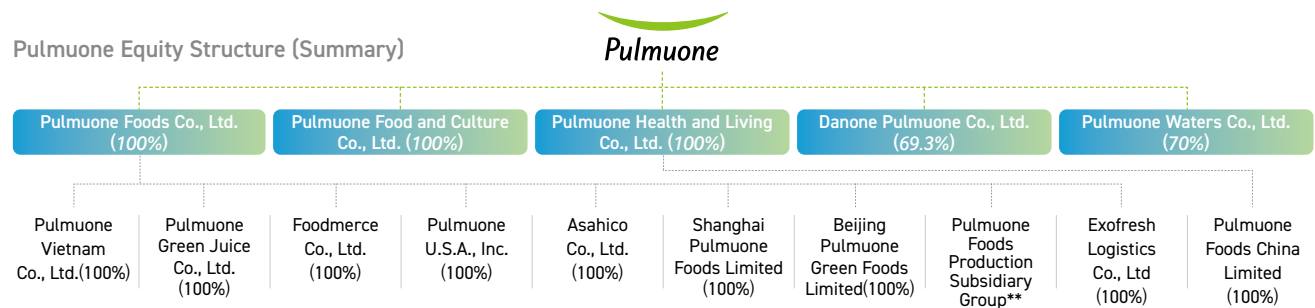
- Session A** Establish strategies to achieve mid-term strategic goals and discuss major issues
- Session B** Check the status of the annual business plan and discuss major issues
- Session C** Check the status of talent management and discuss major issues
- Session D** Check ESG management and environment/safety/health-related status and discuss major issues, decision-making, and matters submitted to the board meetings

Equity Structure

Equity Structure and Dividend Policies

Pulmuone Corporate has established an operating holding company that meets global standards by holding 100% of the shares of all of its subsidiaries and sub-subsidiaries*. Its agile and effective decision-making system prevents any conflict of interest among shareholders and unifies the company by establishing the "One Company" system. In November 2022, Pulmuone Food and Culture established Pulmuone Together as a wholly owned subsidiary with the goal of providing jobs for people with disabilities and employing various types of professionals.

* Excluding joint ventures



** The companies included in the manufacturing subsidiaries and the respective shares are as follows: PPEC Chuncheon/Uiyeong/Eumsung Fresh Noodle/Eumseong Namul (100%), PPEC Global Kimchi Co., Ltd. (50%), Sinseon Natto Co., Ltd. (81%), PTA Agricultural Union Corporation (99.9%), Pulmuone Kibun Co., Ltd. (66%), and Pulmuone IN (100%).

Composition of the Board of Directors

Pulmuone invests its utmost efforts to build advanced governance with review and balance between the BOD and the management and to enhance shareholder value. As of June 2023, there are a total of 10 directors at Pulmuone, and the ratio of independent directors is 70.0% (7 directors). Nam Seung-woo, other non-executive director, was appointed as the Chairperson of the BOD, and Lee Kyoung Mi was appointed as the independent lead director at the general meeting of shareholders in March 2022. The term of directors is 3 years, and they may be re-appointed at the general meeting of shareholders. However, the term of an independent director cannot exceed six years in accordance with the Commercial Act.

Board Members

As of end of March 2023

Job Title	Name	Gender (Age)	Date of Appointment	Major Experience	No. of Other Mandates*	No. of Shares Owned
Executive Director	Lee Hyo-yul	Male(66)	13.03.29**	Present: General CEO of Pulmuone Corporate Former: CEO of Pulmuone Foods Co., Ltd.	N/A	85,750
	Lee Sang-boo	Male(61)	18.03.30	Present: Pulmuone Corporate Strategy Officer Former: Pulmuone Food & Culture Business Support Officer	N/A	0
Other Non-executive Director	Nam Seung-woo	Male(71)	18.03.30	Former: General CEO of Pulmuone Corporate	N/A	21,735,780
Independent Director	Lee Kyoung Mi	Female(49)	19.03.29	Present: Professor at Business School of Seoul National University Former: Professor at Yonsei School of Business	1	0
	Kim Young Whan	Male(66)	20.03.27	Present: Director/CEO of AIRI (Artificial Intelligence Research Institute) Former: CEO of KT Networks	1	0
	Shim Sue Ohk	Female(61)	20.03.27	Present: Professor of EMBA at Sungkyunkwan University Present: Independent Director, Lotte Shopping Former: Senior Executive Vice President of Samsung Electronics Global Marketing	1	0
	Won Hye Young	Male(72)	21.03.25	Present: Co-president of Well Dying Movement Former: Member of the National Assembly of the Republic of Korea	0	0
	Han Chan sik	Male(55)	22.03.30	Present: Attorney, Kim and Chang Former: Chief Prosecutor of Eastern District Prosecutor's Office	0	0
	Kim Woo jin	Male(53)	22.03.30	Present: Professor of Finance, Seoul National University Business School Present: Member of Discipline Committee at Market Oversight Commission in Korea Exchange Present: Member of Compliance Committee at Samsung	0	0
	Lee Ji yoon	Female(58)	22.04.27	Present: Non-executive Director, Korea Hydro & Nuclear Power Co., Ltd. Present: Executive Advisor, FleishmanHillard Seoul Former: Chairperson at Seoul Facilities Corporation	1	0

* Pursuant to Article 34 of the Enforcement Decree of the Commercial Act, one is allowed to serve as a director, executive, or auditor of only one other company.

** Lee Hyo-yul, Executive Director, was appointed as a CEO on Feb 28, 2017.

BOD Committees

As of end of March 2023

Committee	Composition	Roles	Members
Business Management Committee	2 Executive Directors	Handling business management affairs delegated by the BOD	Lee Hyo-yul (Chairperson), Lee Sang-boo
Compensation Committee	3 Independent Directors	Pre-deliberation on executive remuneration, severance pay, and stock option grant, etc.	Won Hye Young (Chairperson), Shim Sue Ohk, Han Chan sik
Independent Director Recommendation Committee	4 Independent Directors	Recommending independent directors	Kim Young Whan (Chairperson), Lee Kyoung Mi, Han Chan sik, Kim Woo jin
Independent Director Evaluation Committee	3 Independent Directors	Self-evaluation on activities of independent directors and the BOD	Lee Kyoung Mi (Chairperson), Shim Sue Ohk, Lee Ji yoon
Audit Committee	4 Independent Directors	Auditing the company's accounting and business (Exercise of statutory powers e.g., auditing the execution of directors' duties and appointment of external auditors)	Kim Woo jin (Chairperson), Kim Young Whan, Lee Kyoung Mi, Han Chan sik
Strategy Committee	1 Other Non-Executive Director / 2 Executive Directors / 4 Independent Director	Implementing annual and mid-term business plan, pre-deliberation on core M&A	Nam Seung-woo (Chairperson), Lee Hyo-yul, Lee Sang-boo, Shim Sue Ohk, Won Hye Young, Kim Woo jin, Lee Ji yoon,
ESG Committee	1 Executive Director / 4 Independent Directors	Monitoring sustainability management strategies and directions	Shim Sue Ohk (Chairperson), Lee Sang-boo, Kim Young Whan, Won Hye Young, Lee Ji yoon
Pulmuone General CEO Recommendation Committee	1 Non-Executive Director / 2 Independent Director	Managing and recommending capable candidates for General CEO position	Nam Seung-woo (Chairperson), Lee Kyoung Mi, Kim Young Whan

Independence, Diversity, and Expertise of the BOD

Independence of the BOD

Proportion of Independent Directors

To ensure that the board can serve its roles as an independent decision-making and oversight body, Pulmuone aims to maintain that independent directors comprise at least 50% of the board. Currently, the proportion of independent directors on the board is 70%.

Appointment Procedures and Independence Requirements

The Independent Director Recommendation Committee, composed solely of independent directors, reviews and nominates candidates for board membership who would be appointed at the general meeting of shareholders. When submitted to the general meeting of shareholders for approval, each member is individually elected through separate agenda to ensure the shareholder's right. All independent directors are required to meet the independence requirements under the Commercial Act and global governance standards.

Independent Lead Director System

In accordance with Article 5-2 of the Board of Directors Regulations, we have a system where the independent lead director convenes and presides over the independent directors to obtain their opinions or to request a briefing on major business management issues from the top management. Currently, Lee Kyung-mi serves as the independent lead director.

Independence Requirements for the BOD

1. Independent directors are directors who are not currently serving or have served within the last 2 years as directors, executive directors or employees in the regular business of the company.
2. Independent directors are directors who are not the principal, his/her spouse, lineal ascendants, and lineal descendants.
 - In cases where the largest shareholder is a corporation, independent directors must not be directors, auditors, executive directors or employees of the corporation.
3. Independent directors are directors who haven't received compensation of more than KRW 80 million (USD 60,000) from the company, a parent company, and a subsidiary for 12 months within the last three years (including the principal and his/her family).
4. Independent directors are directors who are not the spouses, lineal ascendants, and lineal descendants of directors, auditors, or executive directors of the company.
5. Independent directors are not directors, auditors, executive directors or employees of a parent company or a subsidiary company of the company.
6. Independent directors are directors who are not an advisor or consultant of the company.
7. Independent directors are directors who don't have a material interest in the company, such as relationships with the company's clients and suppliers.
8. Independent directors are not an employee of a corporation that has an agreement with the company to provide advisory services as a main legal advisor or business consultant.
9. Independent directors are directors who don't have a material interest in the NGOs that receive a significant amount of grants from the company.
10. Independent directors are not directors, auditors, executive directors or employees of any other company for which directors, executive directors and employees of the company serve as directors and executive directors.
11. Independent directors are directors who do not have conflicts of interest, defined as actions that would violate the independence of the BOD.

Diversity and Expertise of the BOD

Pulmuone is expanding the expertise of its Board of Directors to support BOD-centered management. Taking into account the business strategy, the nature of the industry, and changing market conditions, we have defined the specific competencies required to serve as members of the board and fulfill its roles of making decisions and overseeing business operation. The skills and diversity of the board are presented in the Board Skill Matrix below. When nominating and appointing directors, we consider the diversity of their experience and background, including areas of expertise, gender, age, region of origin and ethnicity, and plan for succession to achieve an optimal skill mix based on the Board Skill Matrix.

Board Skills Matrix

Category	Independent Directors							Executive Directors		Other Non-executive Director
	Lee Kyoung Mi	Kim Young Whan	Shim Sue Ohk	Won Hye Young	Han Chan sik	Kim Woo jin	Lee Ji yoon	Lee Hyo-yul	Lee Sang-boo	Nam Seung-woo
Career and Experience										
BOD		●					●	●	●	●
CEO		●						●		●
Expertise										
Accounting/Finance		●				●		●	●	●
Marketing/ Communication	●		●				●			
Laws/Risks					●					
Government/Policies				●						
IT/Security/DX		●								
ESG			●			●	●			
Independence										
	●	●	●	●	●	●	●			
Diversity										
Gender	Female	Male	Female	Male	Male	Male	Female	Male	Male	Male
Age	49	66	61	72	55	53	58	66	61	71
Tenure										
	4	3	3	2	1	1	1	10	5	5

BOD Operation and Performance

BOD Activities

The Board of Directors meetings are convened by the Chairperson in accordance with the Board of Directors Regulations. The board holds five regular meetings a year and special meetings as required. As the highest decision-making body, the board reviews and makes decisions on its management, finance, business plans, and performance in accordance with the Articles of Incorporation. It also plays a role in the sustainable management which is specified in Article 3-5 of the Board of Directors Regulations.

Roles of the Board of Directors in Sustainable Management

1. Review, guide, discuss, and verify the strategic directions of the company's long-term plans
2. Help the management to recognize important objectives
3. Provide input and feedback on sustainable corporate strategies
4. Establish and oversee strategies to communicate the company's objectives throughout the organization
5. Provide input and feedback on the resource allocation

BOD Meetings and Agenda in 2022

Meeting	Date	Agenda	Attendance Rate
1st Regular Meeting	Feb 24, 2022	Approval of the 39th financial statements Approved: 10 / Reported: 8	100%
1st Special Meeting	Mar 30, 2022	Approval of intercompany transactions with directors Approved: 4 / Reported: 1	70.0%
2nd Regular Meeting	Apr 28, 2022	Report on the results of the values system consultation Reported: 5	90.9%
3rd Regular Meeting	Jun 23, 2022	Mid-term business strategy report Reported: 1	90.9%
4th Regular Meeting	Jul 28, 2022	Plans to improve the BOD operation Approved: 1 / Reported: 4	81.8%
5th Regular Meeting	Oct 27, 2022	Revisions to regulations for the ESG Committee Approved: 3 / Reported: 5	90.9%
6th Regular Meeting	Dec 1, 2022	Approval of 2023 financial targets in business plan Approved: 1 / Reported: 6	100%

BOD Meeting Attendance Rate

Category	Unit	2022	2021	2020
Average BOD Meeting Attendance Rate	%	90.0	90.3	89.5

* Pulmuone guides all directors to an annual minimum attendance rate of 75% for the BoD meetings.

Evaluation and Remuneration of the BOD

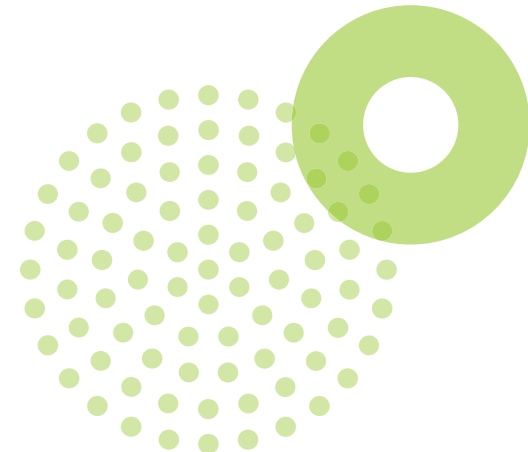
Since 2020, Pulmuone has conducted a comprehensive evaluation on the operation and activities of the independent directors and the Board of Directors once a year through the Independent Director Evaluation Committee. The Independent Director Evaluation Committee is composed of 3 independent directors, and the board evaluation is conducted with a total of 21 questions in 4 areas. The results are then disclosed on the website, and they are used to further enhance the strengths of Pulmuone's BOD operation, contribute to the improvement of its weaknesses, and determine the limit of remuneration.

Results of BOD Evaluation

※ BOD Evaluation Table and Results

Category	Unit	2022	2021	2020
Composition and Roles	Points*	4.71	4.56	4.81
Independence		4.72	4.59	4.64
Efficiency		4.50	4.50	4.59
BOD Committees		4.69	4.78	4.68

* Scale of 1 to 5



Protection of Shareholders' Rights

Stock Ownership

Pulmuone is a company listed on the stock market, and the total number of shares as of December 31, 2022 is 42,155,122 (38,120,542 common stocks and 4,034,580 preferred stocks). Of these, 4,034,580 redeemable convertible preferred shares were fully redeemed and canceled on March 23, 2023 using distributable earnings (retained earnings), resulting in a total of 38,120,542 shares outstanding as of the date of this integrated report. Pulmuone's corporate information is available on the company website, the Financial Supervisory Service's DART (Electronic Disclosure System), and the Korea Exchange's electronic disclosure system.

Major Shareholders

(As of December 31, 2022)

Category	Shareholders	No. of Shares	Percentage (%)
Other shareholders (more than 5% of shares)	Nam Seung-woo	21,735,780	51.6
	IBK Green Private Equity Funds Joint Venture	4,034,580	9.6
	Hanmaeum Peace Research Foundation*	3,809,060	9.0

* Resolved to change the name of the organization from the Hanmaeum Peace Research Foundation to the Hanmaeum Foundation on March 28, 2022.

Category	Shareholders			No. of Shares		
	No. of minority shareholders	Total no. of shareholders	Percentage (%)	No. of minority shareholders	Total no. of shares issued	Percentage (%)
Minority shareholders	53,520	53,525	99.99	9,115,645	40,805,422	22.34

**Pulmuone ensures one voting right per share, and there are no other stocks that restrict voting rights, such as golden shares.

Dividend Policy

We have established and implemented a dividend policy that pays a certain amount of cash dividends per share to ensure stable financing and to respect the shareholders' rights to receive returns on their investment. The dividend limit is calculated in accordance with Article 462-1 of the Commercial Act and Article 19 of the Enforcement Decree of the same Act, and within the limit, we pay dividends regardless of our business performance. We plan to maintain this policy until 2026.

Shareholder Return for the Last 3 Years

Business Year	Month of Settlement	Type of Shares	Stock Dividends	Cash Dividends		
				Dividends per Share	Total Dividends	Dividend Yield
2022	12	Common stock	-	102	KRW 3,751 million	0.9
		Preferred stock	-	347	-	-
2021	12	Common stock	-	102	KRW 3,751 million	0.6
		Preferred stock	-	347	KRW 1,400 million	2.0
2020	12	Common stock	-	102	KRW 3,802 million	0.6
		Preferred stock	-	347	KRW 1,400 million	2.1

Enhancing the Shareholders' Rights

Improvement on the System

At the 2023 General Meeting of Shareholders, Pulmuone amended its Articles of Incorporation to elevate the approval body for reducing the Board of Directors' responsibilities and authorizing financial statements to the General Meeting of Shareholders. We have also changed the authority to decide on retirement benefits for advisors and consultants from the CEO to the Compensation Committee, which is composed solely of independent directors.

Shareholder Return

At the 2023 General Meeting of Shareholders, Pulmuone lowered the limit on directors' remuneration by 30% compared to the previous year. We also maintained the dividend at last year's level within the dividend payout ratio, despite the challenging business environment this year.

Disclosure and Communication

With the recent emphasis on responsible investment, we recognize that not only institutional investors, such as the National Pension Service, but also private shareholders are showing growing interest and expectations for non-financial (ESG) information from companies. Since 2007, we have published annual integrated reports to share our non-financial performance and data every year. We also actively participate in external ESG assessments such as CDP and S&P CSA (formerly DJSI) to disclose information on our corporate sustainability performance to shareholders and investors. Going forward, we will continue to support communication and transparency in our business operations.

Risk Management

Risk Management Governance

Organization and Reporting System

For effective and independent risk monitoring and management, Pulmuone operates its Risk Management Committee for each business unit and at the corporate-wide level, and conducts pre- and post-management activities for corporate-wide risks that may undermine its sustainability.

Business-unit Risk Management

The RM (Risk Manager) for each business unit identifies and evaluates risks from the perspective of the business environment and internal operations, and confirms the risk pool after approval by the representative. We conduct monthly or quarterly monitoring and evaluation of the level of risks (Attention, Caution, Alert, Danger) according to the preset cycle, report the results to the Risk Management Committee of the relevant business unit, and then implement measures according to the level of risk.

Corporate-wide Risk Management

Corporate RM (Management Diagnosis Department of Pulmuone Corporate) shares the monitoring results of risks rated "High" among the risks that are regularly monitored by business unit with the Corporate Risk Management Committee. In addition, the Corporate Risk Management Committee conducts regular reports on risk factors that require constant management from a corporate-wide perspective, as well as reports on monitoring results for "High" rating, and provides reports on risk factors that require discussion and management by each business unit to fulfill its roles and responsibilities as the highest decision-making body for risk management.

Risk Managers

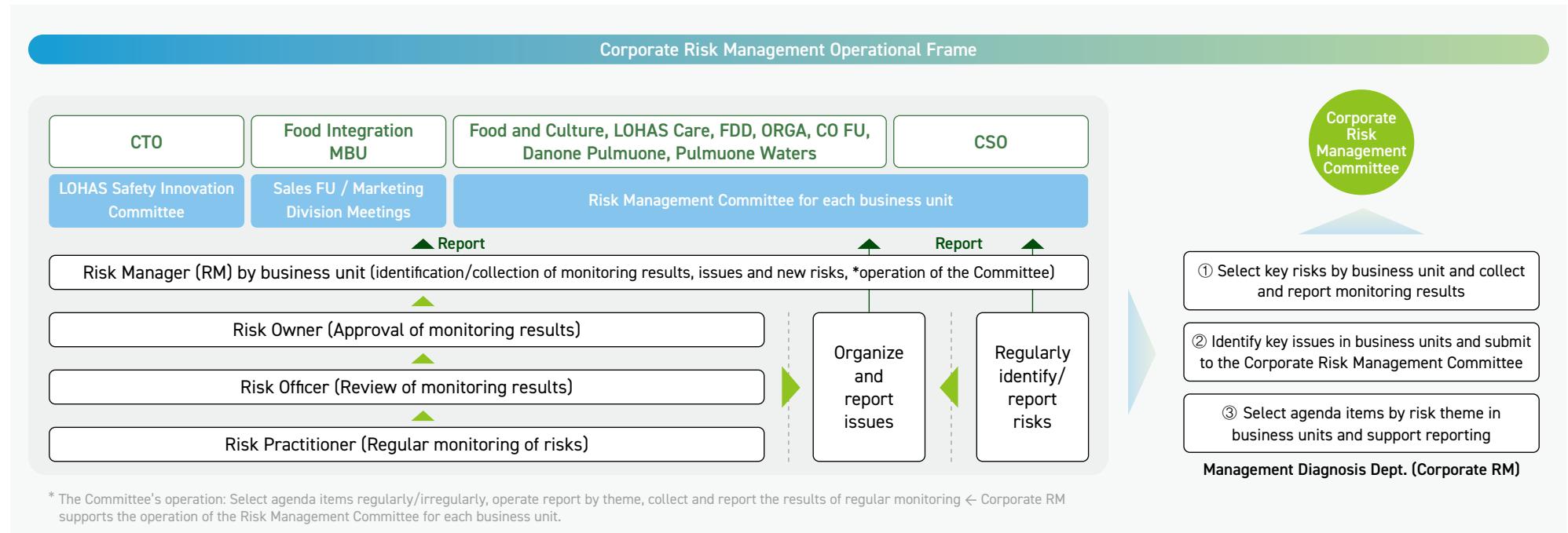
Category	Leaders	Roles	Reporting System
General Risk Management	Lee Jeong-eon (Management Diagnosis Dept.)	<ul style="list-style-type: none"> Secretary of Corporate Risk Management Committee Approve corporate-wide risk management policies 	Management Diagnosis Dept. → TISO Management Leader → Head of CSO → General CEO and BOD
Risk Management Monitoring	Jeong Yeon-seung (Corporate RM)	<ul style="list-style-type: none"> Review risk management performance by business unit (subsidiary) and submit agenda to the Corporate Risk Management Committee Disseminate and review decisions and activities of Corporate Risk Management Committee 	Corporate RM → Management Diagnosis Dept. → TISO Management Leader (CCO) → Corporate Risk Management Committee → Audit Committee
Risk Management Audit and Due Diligence	Yoon Tae-seok, Team Leader (Management Diagnosis Team)	<ul style="list-style-type: none"> Identify operational and design defects and direct improvement measures through risk-based audit 	Management Diagnosis Team → Management Diagnosis Dept. → Head of TISO Management Dept. (CCO) → Head of CSO → Audit Committee

Risk Training for Independent Directors

All matters related to risk management are reported to the Audit Committee (under the BOD), which oversees and makes decisions on important issues. Therefore, risk training is organized for the members of the Audit Committee to enhance their expertise and help them perform their roles as committee members. In 2022, all four independent directors of the Audit Committee completed training and learned about the background and the managerial skills of the internal accounting management system.

Risk Management Frame

For ongoing risk management, Pulmuone has identified the risk pool to be monitored, based on its business characteristics, through risk identification, evaluation, response, and monitoring. Prevention and follow-up measures are also in place. In order to identify risks without any duplication or omission, and enhance management efficiency, Pulmuone divides the risks into four types: Governance risks (corporate governance, ethical management), strategic risks (corporate social responsibility, external environment, business planning, management strategy), operational risks (food safety, occupational safety and health, sales and marketing, product development, supply chain), infrastructure risks (legal, compliance, finance, HR, public relations, IT). We have developed an optimized response plan after categorizing the identified risks into four types based on the level of uncertainty and controllability: Contingency Plan, Response by Scenario, Indicator Management, and Rigorous Control.



Major Risks

Pulmuone has established mid- to long-term response strategies by identifying emerging risks that may have a significant impact on future business and analyzing the economic, environmental, and social impacts and major opportunities and threats. By doing this, we strive to develop our ability to proactively respond to risks that may arise in the future and to turn crisis into opportunity.

Category	Definition and Impact	Organization	Policies
Litigation risks	Risk of financial or non-financial loss due to legal disputes with stakeholders	Legal Dept., TISO Management Office	<ol style="list-style-type: none"> 1) Identifying major domestic and global risks 2) Strategic response for appropriate dispute resolution_ factual and legal analysis 3) Minimizing risks in collaboration with experts if necessary
Workplace environmental safety management	Realization of zero tolerance for workplace accident and establishment of on-site safety culture Aggravated punishment for an employer regarding safety accidents and impact on the internal and external corporate image	EHS Dept. (Safety Planning Team) Integrated Manufacturing Headquarter (Each business site)	<ol style="list-style-type: none"> 1) Self-assessment of business sites using the checklist (laws and company guidelines) 2) Raising awareness on safety management by conducting an audit for each corporation/ business site 3) Unscheduled safety inspection and guidance inspection with external companies
Stabilization of supply and demand of raw materials due to rising raw material costs	The stabilization of the supply and demand of raw materials due to the increase in major raw materials have a significant impact on essential profit and loss.	Strategic Purchasing Office, Business-unit Purchasing Department	<ol style="list-style-type: none"> 1) Monitoring the status of agricultural production areas and securing additional agricultural production areas with rising raw material prices, 2) Checking the expected timing of inventory depletion through performance management compared to the raw material usage plan, and planning responsive actions 3) Flexible response such as diversification of agricultural production areas and suppliers in consideration of the timing of inventory depletion
Food safety control	As the continuously worsening trend of humid and hot weather in summer and the transition to a subtropical climate pose a risk to our key strategy, "Fresh Ready Meal," proactive measures for food safety are required. Ensuring safety as a food company is an essential part of risk management for sustainability, and abnormal climate conditions and environmental changes require proactive approaches involving continuous improvement and new technology	Food Safety Office	<ol style="list-style-type: none"> 1) Pulmuone manages food hygiene and safety across the company as led by the Food Safety Department of Pulmuone Corporate Technology Office, the company's control tower for food safety management 2) A real-time control system, a general management system, a permanent inspection system, or a change management system is selected, depending on the type of the food, and is then implemented to exercise food safety control over food production processes. 3) Real-time temperature control is in place for logistics centers, transportation vehicles, delivery vehicles, and affiliated store vehicles so that temperature deviation that may occur during distribution and transportation can be managed in advance
Climate risks	Management is required to maintain the business environment and continuity as the possibility of natural disasters increases due to climate change. Legal/ business risks that may arise in the process of response activities may also have a financial impact.	ESH Dept. (Environmental Engineering Team), Integrated Production Headquarter (each business site)	<ol style="list-style-type: none"> 1) Management of domestic GHG emissions 2) Water risk evaluation 3) Product Carbon Footprint (PCF) management, etc.

Corporate Ethics

TISO Management

TISO Management System

TISO Code of Conduct

In pursuit of TISO management, we have established and implemented our Code of Conduct, which stipulates behavioral rules for employees to follow. It covers how to handle work orders that hamper fair work practices, as well as external activities and consumer information security. It also covers the prohibitions on preferential treatment, anti-trust acts (e.g., collusion with competitors), wielding of unfair influence for personal interest, receiving of corrupt profit, other improper actions with stakeholders, other acts that harm the company, personal use of classified information, hiring of employees in other companies, falsifying of documents or statistics, and false reports.

Code of Practice for TISO Management

The "Code of Conduct Practice Handbook" has been prepared to help employees better understand the "TISO Code of Conduct" by offering more detailed explanations about fair and transparent work processes, the prohibition of using one's authority at work for personal gain, work discipline, behavior and conduct to be avoided among employees, making accurate and truthful reports, protecting company and consumer information, whistleblowing, and rewards. It clearly defines types of misconduct that can be committed unknowingly, as well as material breaches, such as bribery or corruption, that undermine TISO principles. Employees are under supervision to comply with these clear rules and procedures.

Transparent Donation Process

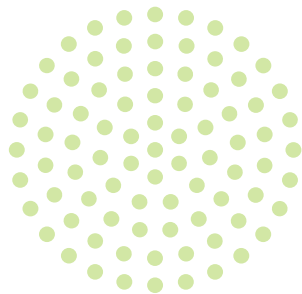
Pulmuone does not engage in any kinds of lobbying or political donations in strict compliance with Article 31 of the Political Funds Act, which prohibits political donations by corporations or groups. When making decisions to sponsor or donate money for initiatives, we consider industrial relevance, alignment with our mission, improvement of our own or the industry's ESG capabilities, and contribution to achieving common goals such as the Paris Agreement and the SDGs. We also ensure that donations are not used as a means of bribery or can serve as a cause of corruption, and we specify the decision-making process and R&Rs for donations in our corporate-wide LOAs while making sure that they are drafted, reviewed, approved, and executed transparently and independently. In the first half of 2023, we joined the CGF (Consumer Goods Forum), a global meeting of leading food manufacturers and retailers. As an official accelerator of the RtZ (Race to Zero), a global net-zero initiative under the UNFCCC (United Nations Framework Convention on Climate Change), which has declared the goal of reducing carbon emissions by 50% by 2030 to achieve the 1.5°C science-based target. Going forward, we will continue to support the CGF and its members to help achieve the target set by the Paris Agreement.



Dedicated Organization

Pulmuone has appointed the TISO Management Leader as the CCO (Chief Compliance Officer) to oversee its ethical practices on a corporate-wide level with the support from the Management Diagnosis Department, TISO Management Department, and the Legal Department. In addition, R&R and reporting systems for violations of the Code of Conduct and internal audits have been established and managed through corporate-wide LOAs (the Letter of Agreement; Company-wide rules for vesting and delegation.)

TISO Management Organization



Internalization of TISO Management

Compliance Training

Pulmuone organizes compliance training to internalize TISO management. In 2022, we conducted training on the Subcontracting Act for shared growth with suppliers, along with training on the Franchise Business Act, anti-collusion, and the Act on Fair Labeling and Advertising. We have also published CP newsletters to facilitate the process of communicating the regulatory changes to our employees and taking actions to ensure compliance.

2022 Compliance Training Programs

Training Subject	No. of Participants	Training Hours per Person
Subcontracting Act	20	18
Franchise Business Act	24	6
Fair Trade Act	318	23
E-commerce	-	-
Ethics/Anti-corruption/Compliance/ Human Rights	51	4
Total	1,427	72

Coordination with Employee Performance Evaluation

We include KPIs for our core competency values-Trust, Passion, and Excellence—in our performance evaluations. For the value of Trust, we use compliance with the TISO management regulations (including the TISO Code of Conduct) as an indicator, aligning compliance with the performance evaluation. By doing so, we put emphasis on the ethical practice and compliance and integrate them into our organizational culture.

Fair Trade

Fair Trade Policy

Pulmuone's fair trade policy is the strategy for promoting the TISO management for suppliers. Pulmuone identifies business and voluntarily improves business management for fair and transparent corporate activities under the Fair Trade Act, thereby preventing violations of fair trade laws in advance and establishing an organizational culture that complies with competition law requirements.

Unfair Trade Practices

In accordance with Article 13 (Payment of Subcontracting Payment) of the Fair Transactions in Subcontracting Act ① that specifies, "Where a prime contractor entrusts a subcontractor with manufacturing, etc., the prime contractor shall pay the subcontract consideration by no later than the earliest date for payment fixed within the extent of 60 days from the date of receipt of subject matter, etc." Pulmuone keeps the payment date in consideration of subcontracts for its suppliers. In addition, we are committed to preventing the violation of fair trade practices in advance by regularly holding fair trade deliberation meetings. We also visit and inspect partner companies to prevent any unfair transactions or corrupt practices.



Fair Trade Practice Programs

	Category	Guidelines
Consumers	Provide distinctive values	<ul style="list-style-type: none"> We increase productivity through process innovation and provide high-quality products and services at a reasonable price. We provide products and services in accordance with Pulmuone's principles to help our customers live healthier lives.
	Correct labeling and advertising	<ul style="list-style-type: none"> We honestly disclose information under the New Full Labeling System. We eliminate false, misleading, or exaggerated labeling and advertising.
	Protect consumers	<ul style="list-style-type: none"> We respond swiftly and properly to consumers' reasonable requests. We limit our use of consumers' information, and do not collect or expose such information without their consent.
Business Partners	Select partners in accordance with the predetermined standards	<ul style="list-style-type: none"> We provide equal opportunities based on our principles and procedures. We select business partners in accordance with the transparent and objective criteria defined by an internal council.
	Comply with trade principles	<ul style="list-style-type: none"> We avoid unfair transactions that abuse our position, including unfair refusal of business deals, forced terms and conditions, and discriminatory treatment. We comply with the internal procedures in each stage of business transactions and voluntarily examine these procedures using checklists.
	Mutual growth	<ul style="list-style-type: none"> We develop and provide customized programs to strengthen the capacity of business partners, including training and technical support. We create opportunities for regular interactions with business partners for win-win growth and cooperation.
Competitors	Prohibit unfair collective actions	<ul style="list-style-type: none"> We do not set trade conditions jointly with other companies regarding the prices, types, and standards of products. We comply with the "Pulmuone Guidelines for Communication with Competitors" regarding competitor companies.
	Prohibit attracting clients and customers in an unfair method	<ul style="list-style-type: none"> We do not provide or receive unfair requests, money, gifts, or entertainment offerings, especially from stakeholders in connection with business transactions. We do not offer excessive benefits compared to normal practices to attract the clients and customers of competitor companies.
	Engage in competition in good faith	<ul style="list-style-type: none"> We do not collect, misuse, or leak the technologies and data of business competitors. We do not circulate false information to slander other companies.

Compliance

Whistle Blowing

Whistleblowing System and Reporting Channels

As a means of practicing TISO management, our internal reporting system allows us to receive reports of violations from internal and external stakeholders via phone, mail, website, and intranet. We conduct thorough investigation based on the reports under the TISO regulations and take strict disciplinary actions against violators.

Protection of Reporters and Rewards

The protection of whistleblowers is our highest priority when it comes to dealing with reports on violations. Therefore, it is important for us to raise awareness of whistleblowing and build trust in that their identities are kept secret. To this end, we published the Guidelines for Whistleblower Protection through the Cyber Audit Office and make continuous improvement on our management systems and processes through regular training and active communication. We also reward whistleblowers based on the level of disciplinary actions to encourage more to come forward.

TISO Management Report and Counseling Center

Address	Management Diagnosis Dept. / TISO Management Dept. of Pulmuone Corporate, 8F, Rosedale Bldg., 280 Gwangpyeong-ro, Gangnam-gu, Seoul, South Korea
Cyber Audit Office	https://cp.pulmuone.kr:3444/cyber/



Regular and Special Audit

All our business sites must undergo regular audits based on the plan reported to and approved by the executive management. This is intended to prevent the potential risk of corruption and policy violations, increase the efficiency of risk management activities and processes, and assess the adequacy of expenditures. This process analyzes the cause of risks and issues and provides reasonable measures for improvement, focusing on the prevention of recurrence and risk factors.

2022 Internal Audit Results

(Unit: case)

Classification and Definitions			Request for Inspection/Clarification	Actions	
				Process Improvement/Correction/Addition	Internal Control Improvement/Correction/Addition
Audit	Periodic Audit	Periodic or recurring audit with a specific theme each year	1	3	-
	Risk-based Audit	Audit for risk management and process enhancement through risks identification and assessment	4	17	-
	Internal Control Audit	Audit for reviewing the completeness and effectiveness of internal accounting control systems	20	-	24
Monitoring	Corporate Credit Card	Audit for monitoring the payment made by all employees using corporate credit cards and taking corrective actions	682	279	-

Tax Policy

Pulmuone abides by the country's tax laws and fulfills its obligation to pay taxes imposed on its profits. To this end, we established the tax policy and regularly provide the relevant education program to the employees in charge of accounting and tax affairs. When necessary, we receive consultation from external experts, including law, accounting, and tax firms.

Tax Policy

Basic Principles

- Pulmuone strives to comply with domestic and foreign tax laws and regulations and files a tax report and pays taxes in a transparent and fair manner.
- In accordance with its TISO management principles, Pulmuone responds to requests from the tax authorities sincerely with mutual respect, and fulfills its obligation to cooperate in tax matters without concealment, distortion, or exaggeration.
- Pulmuone will actively respond to changes in tax laws in each region and swiftly apply these changes in its business.

Risk Management

- Pulmuone will minimize unexpected tax risks across all business operations.
- Pulmuone will constantly make company-wide efforts to build the external compliance inspection system, provide internal education, and set consistent business management standards. We will consult and cooperate with external experts to identify tax risks and upgrade our tax policy.
- Pulmuone will meet all tax reporting and payment deadlines, and keep the evidence and reasons for decisions made for business contracts in the form of documents.

Eradication of Tax Avoidance

- Pulmuone will maintain a normal investment and trade structure that conforms to the intent of the tax law in regard to transactions with third parties and/or special affiliated parties.
- Pulmuone will maintain fair prices in trade with third parties and/or special affiliated parties in accordance with the relevant regulations in Korea, while following the OECD guidelines and BEPS standards for international trades at normal prices.
- Pulmuone will not become a tax haven or take advantage of tax structures without commercial substance.

Transfer Price Policy

- The transfer price refers to the price applied to an international transaction of raw materials, products, and services with overseas subsidiaries or affiliates. Global companies often adjust the transfer price to alleviate their tax burden, which has become an issue in the industrial sector. Upholding its principles of transparent and sincere tax payment, Pulmuone prohibits transfer pricing in favor of the company under any circumstances. We set the transfer price strictly in accordance with the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and local tax laws in each country. Therefore, we pay tax on our business profit under the national tax law.

Part 4 Appendix



• Performance

- Economic Performance
- Social Performance
- Environmental Performance
- Awards and Certifications
- Business Agreements

• Fact Book

- GRI Index
- TCFD Index
- SASB Index
- Independent Auditor Report
- Report on the Operating Status of the Internal Accounting Management System
- Audit Committee's Internal Accounting Management System Evaluation Report
- Independent Assurance Statement
- GHG Emissions Verification Statement
- Global Initiatives and Memberships
- Pulmuone SHE Policy
- Pulmuone Declaration of Human Rights Management
- Who Prepared This Report

Performance

Economic Performance¹⁾

	Unit	2022	2021	2020
Key Financial Performance				
Sales	KRW million	2,838,304	2,518,896	2,311,200
Operating income	KRW million	26,332	38,514	45,970
Net operating income	KRW million	-36,967	304	11,834

	Unit	2022	2021	2020
Summary of the Consolidated Financial Statements				
Current assets	KRW million	752,346	710,996	630,383
Non-current assets	KRW million	1,296,872	1,258,376	1,063,190
Total assets	KRW million	2,049,218	1,969,373	1,693,573
Current liabilities	KRW million	892,670	803,842	776,833
Non-current liabilities	KRW million	609,901	575,740	403,801
Total liabilities	KRW million	1,502,571	1,379,582	1,180,635
Controlling company interests	KRW million	412,260	466,587	450,085
Non-controlling interests	KRW million	134,387	123,204	62,853
Total equity	KRW million	546,647	589,791	512,939

1) Prepared based on the K-IFRS consolidated financial statements. Refer to the business report for more financial data.

		Unit	2022	2021	2020
Creation and Distribution of Economic Values					
Customers	Sales	KRW million	2,838,304	2,518,896	2,311,200
Employees	Salaries	KRW million	377,244	335,749	336,373
	Employee benefits	KRW million	67,429	52,701	48,087
	Contributions to defined contribution plan	KRW million	2,660	759	610
	Expense related to defined benefit plans	KRW million	30,432	28,392	30,020
	Stock settlement-based equity incentive compensation	KRW million	223	885	308
Shareholders and Investors	Cash dividend	KRW million	3,751	5,151	5,199
	Cash dividend payout ratio	%	-10.1	1,694	43.9
Creditors	Interest cost	KRW million	39,170	29,052	27,204
Government	Corporate tax	KRW million	18,554	13,205	6,122
Suppliers	Purchasing total ¹⁾	KRW million	624,012	917,326	832,546
Local Communities	Donations ²⁾	KRW million	1,995	2,144	1,883

1) Based on Strategic Purchasing Office data / 2) Based on the business report

		Unit	2022	2021	2020
Stock Information					
Par value		KRW	500	500	500
		Share(s)	43,504,822	43,504,822	43,004,819
Total shares issued	Common shares ¹⁾	Share(s)	38,120,542	38,120,542	38,120,539
	Preferred shares ²⁾	Share(s)	4,034,580	4,034,580	4,034,580
	Others ³⁾	Share(s)	1,349,700	1,349,700	849,700
Closing price		KRW	11,200	17,300	16,550

1) Total number of common shares issues do not include treasury shares.

2) Preferred shares are redeemable convertible preferred shares.

3) Other treasury shares (non-voting shares) not included in capital stock but included as other paid-in capital.

	No. of shares	Percentage (%)
Stock Ownership¹⁾		
	22,891,960	54.3
Largest shareholder and related parties	Nam Seung-woo (largest shareholder)	21,735,780
	Nam Miri-nae	236,040
	Kim Myeong-hee	82,990
	Others	837,150
	National Pension Service	1,937,483
IBK Green Equity Funds Joint Venture	4,034,580	
Hanmaeum Foundation ²⁾	3,809,060	
Treasury shares	1,349,700	
Institutional investors	555,084	
Foreigners	387,157	
Individual shareholders	7,190,098	

1) December 31, 2022

2) On March 28, 2022, the name changed from the Hanmaeum Peace Research Foundation to the Hanmaeum Foundation.

	Unit	2022	2021	2020
R&D Cost				
Total R&D cost ¹⁾	KRW million	27,655	28,476	33,083
Government subsidies	KRW million	25	187	156

1) Total R&D cost is calculated based on the total amount of R&D spent before deducting government subsidies.

Social Performance

	Unit	2022
Employees		
Total no. of employees ¹⁾	Person(s)	6,544
No. of employees by contract type	Permanent employees	5,130
	Fixed term employees ²⁾	1,414
No. of employees by age	Below 30	880
	30s	1,796
	40s	1,532
	50s	1,582
	Over 50	754
No. of employees by job category	R&D	391
	Manufacturing	1,510
	Others	4,643
No. of employees by management level	Executive ³⁾	109
	Manager ⁴⁾	348
	Senior	1,141
	Staff and others	4,946

1) As of the end of the year

2) Based on the Act on the Protection of Fixed-term and Part-time Employees

3) Executives, independent directors, advisors, etc.

4) Team leaders, part leaders, etc.

	Unit	2022
Diversity and Inclusiveness		
Ratio of female employees ¹⁾	%	57.6
Ratio of female employees by job category	Revenue generating department ²⁾	59.4
	STEM ³⁾	29.2
Ratio of female employees by management level	Executive	18.3
	Manager	21.8
	Senior ⁵⁾	40.9
Compensations for female employees against male employees ⁴⁾	Executive	77.5
	Manager	98.0
	Non-managerial positions ⁶⁾	79.0
Employees with disabilities	Person(s)	85
Veterans	Person(s)	20

1) All employees
 2) Manufacturing, sales, and marketing
 3) Science/technology/engineering/math related departments
 4) Pulmuone Corporate, Pulmuone Foods, Danone Pulmuone, Pulmuone Waters, and Pulmuone Food and Culture
 5) Senior level is the first level of managerial position
 6) Senior level, employee level, and others

	Unit	2022
Recruitment and Retirement^{1), 2)}		
New hires	Person(s)	1,635
	Female	790
	Male	845
Turnover and retirement	No. of employees	1,408
Involuntary turnover	Person(s)	287
	Regular retirement	92
	Disciplinary dismissal	2
	Advised resignation	193
	Involuntary turnover rate ³⁾	%
Voluntary turnover	Person(s)	1,121
	Voluntary early retirement	0
	Voluntary retirement	1,121
	Voluntary turnover rate ³⁾	%

1) Including domestic companies
 2) Excluding inter-company turnover
 3) Among resigned or retired employees

	Unit	2022	2021	2020
Employee Performance Evaluation				
No. of employees subject to evaluation	Person	4,290	2,954	3,033
No. of evaluations conducted	Person	4,054	2,827	2,825
Percentage	%	94	96	93

		Unit	2022
Pay¹⁾			
Average base salary ²⁾	Female	KRW	30,395,484
	Male	KRW	42,211,832
	Female pay against male pay	%	72.01
Average base salary for executives ²⁾	Female	KRW	96,954,195
	Male	KRW	125,610,967
Average base salary for managers ²⁾	Female	KRW	64,447,672
	Male	KRW	66,641,995
Average base salary for non-managers ²⁾	Female	KRW	29,338,597
	Male	KRW	36,285,999
Average compensation for executives ³⁾	Female	KRW	110,718,242
	Male	KRW	142,143,252
Average compensation for managers ³⁾	Female	KRW	75,159,623
	Male	KRW	76,703,908
Average compensation for non-managers ³⁾	Female	KRW	33,410,964
	Male	KRW	42,266,948

1) Pulmuone Corporate, Pulmuone Foods, Danone Pulmuone, Pulmuone Waters, and Pumuone Food & Culture
 2) Based on annual salary
 3) Based on annual salary and incentives

		Unit	2022	2021	2020
Human Rights					
Human rights impact assessment	No. of own operations	Site(s)	2	0	0
	No. of suppliers	Site(s)	24	0	0
Human rights grievance handling	No. of cases reported	Case	27	23	13
	No. of cases resolved	Case	27	23	13
	Percentage	%	100	100	100
Human rights grievance handling by issue	Discrimination in workplace	Case	0 ¹⁾	0	0
	Sexual harassment	Case	7 ¹⁾	3	2
	Non-sexual harassment in the workplace	Case	20 ¹⁾	20	11
	Others	Case	0	0	0

1) A total number of 27 complaints (sexual/non-sexual harassment, discrimination) were reported, 16 of which were confirmed as valid breaches.

		Unit	2022	2021	2020
Family-friendly Programs¹⁾					
No. of children cared by the in-house daycare center		KRW	38	34	33
Maternity leave	No. of employees on maternity leave	Person(s)	90	79	87
	No. of employees who returned to work from maternity leave	Person(s)	41	30	45
	Ratio of return-to-work from maternity leave	%	45.6	38.0	51.7
Parental leave	No. of employees on parental leave	Person(s)	258	231	218
	No. of employees who returned to work from parental leave	Person(s)	89	115	102
	Ratio of return-to-work from parental leave	%	45.9	50.2	68.5
	No. of employees who have worked over 12 months after parental leave	Person(s)	56	89	79
	Ratio of employees who have worked over 12 months after parental leave	%	61.5	78.8	96.3
Reduced work hours (paid)		Person(s)	14	19	17
	Male	Person(s)	0	2	1
	Female	Person(s)	14	17	16
Total cost of benefits		KRW million	67,429	52,701	48,087

1) Domestic workplaces

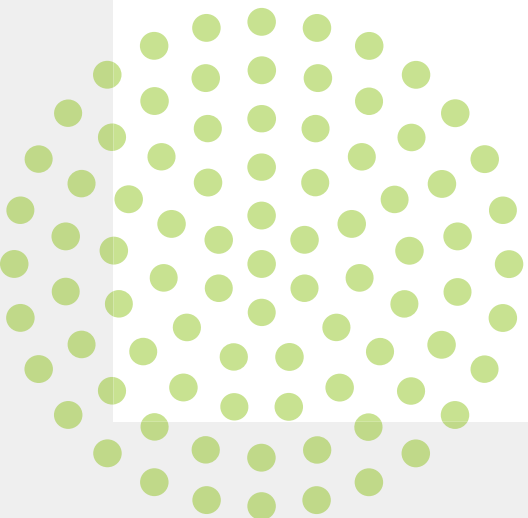
	Unit	2022
Employee Training¹⁾		
No. of participants (cumulative)	Person(s)	12,014
Total training cost	KRW	510,320,975
Training cost per person	KRW/ Person	77,983
Total training hours	Hour(s)	86,449
Training hours per person	Hour(s)/ Person	13
ESG training ²⁾	Session(s)	8

1) Pulmuone Corporate in 2021, domestic corporations in 2022

2) Once a month from May to December for TISO Management Dept. (14 employees)

	Unit	2022	2021	2020
Sustainable Supply Chain				
No. of suppliers	Company(ies)	597	879	896
	Pulmuone Foods	312	588	628
	Others	285	291	268
No. of new suppliers with direct procurement ¹⁾	Company(ies)	18	25	14
Total amount of purchase from suppliers	KRW million	624,012	917,326	832,546
	Pulmuone Foods	513,373	829,088	765,144
	Others	110,639	88,238	67,402
Total amount of purchase from SMEs	KRW million	421,678	506,930	465,309
	Pulmuone Foods	377,718	351,020	349,494
	Others	43,960	155,910	115,815

1) Companies who signed contract for direct procurement in 2022 (the number of "new supplier registered" in the 2021 Integrated Report includes those with indirect procurement)



		Unit	2022	2021	2020
Shared Growth					
Shared growth and fair trade	Shared growth rating	Rating	Good	Good	Good
	Fair trade compliance assessment	Rating	Excellent	Good	Good
Shared growth fund	Total amount raised	KRW million	10,000	10,000	10,000
	Amount raised by financial institutes	KRW million	75,000	7,500	7,500
	Amount raised by Pulmuone	KRW million	2,500	2,500	2,500
	Amount spent	KRW million	4,000	5,000	4,500
Financial support for quality improvement		KRW million	121	293	176
Consulting and diagnostics support		Company(ies)	69	56	222
	Product and service quality	Company(ies)	45	56	222
	Others (safety, health, CSR)	Company(ies)	24	0	0
Technical support	No. of technical support cases	Case(s)	75	59	37
	Amount of technical support	KRW million	345	884	928
	Technical data deposit support	Case	1	1	1
	Support for improving productivity	Case	6	6	7
Support for benefits		Case	5	7	2

		Unit	2022	2021	2020
Shared Growth					
Overall assessment of suppliers	No. of suppliers	Company(ies)	307	282	229
	No. of suppliers with "Good" rating	Company(ies)	81	74	41
	Percentage of suppliers with "Good" rating	%	26.4	26.2	17.9
Training support for suppliers	No. of programs	Program(s)	4	2	1
	No. of training sessions	Session(s)	7	4	3
	No. of participants	Company(s)	381	324	213
	No. of employees from participants	Person(s)	392	339	213
	Total training hour	Hour(s)	12	9	6

		Unit	2022	2021	2020
Safety and Health					
Pulmuone ¹⁾	Total working hours	Hour(s)	14,294,400	14,027,520	14,232,960
	Occupational disasters	Case(s)	53	49	41
	Occupational accident rate ²⁾	%	0.71	0.67	0.55
	LTIR ³⁾	Case(s)/200,000 hours	0.74	0.70	0.58
	Severity rate ⁴⁾	‰	0.16	0.12	0.20
	Fatality	Person(s)	0	0	0
	Occupational fatality rate	‰	0.00	0.00	0.00
Suppliers ⁵⁾	Total working hours	Hour(s)	8,325,120	6,138,240	6,339,840
	Occupational disasters	Case(s)	55	35	23
	Occupational accident rate	%	1.27	1.09	0.70
	LTIR	Case(s)/200,000 hours	1.32	1.14	0.73
	Fatality	Person(s)	0	0	0
Occupational fatality rate	‰	0.00	0.00	0.00	

1) Recalculated at a corporate-wide level, including overseas operations (data differs from the 2021 Integrated Report)
 2) Accident rate based on the Occupational Safety and Health Act, including disease rate
 3) Lost Time Injury Rate
 4) Ratio of lost workdays per 1,000 hours worked
 5) Suppliers resident in our production facilities

* Only certain business sites are reflected in the last year's Integrated Report -> Updated to the corporate-wide level this year (includes data from 2020)

		Unit	2022	2021	2020
Safety Management System					
ISO45001	Certified business sites	Site(s)	16	16	16
OHSAS18001/ KOSHA18001	Certified business sites	Site(s)	1	1	1

		Unit	2022	2021	2020
Compliance Check and Training					
No. of internal ethics and compliance audits		Case(s)	5	7	6
	Corruption risk assessment	Assessed business sites	Site(s)	5	5
Compliance training	No. of persons (cumulative)	Person(s)	20	29	200
	Hours (per person)	Hour(s)	18	4	8
Subcontracting Act	No. of persons (cumulative)	Person(s)	340	203	1,400
	Hours (per person)	Hour(s)	18	4	8
Fair Trade Act	No. of persons (cumulative)	Person(s)	6,360	0	0
	Hours (per person)	Hour(s)	23	0	0
e-Commerce	No. of persons (cumulative)	Person(s)	0	12	30
	Hours (per person)	Hour(s)	0	2	2
Ethics/anti-corruption/compliance/human rights	No. of persons (cumulative)	Person(s)	102	2,880	0
	Hours (per person)	Hour(s)	4	12	0
Franchise Business Act	No. of persons (cumulative)	Person(s)	72	160	720

		Unit	2022	2021
Compliance report				
Legal measures	No. of reports on corruption or bribery	Case(s)	0	3
	No. of investigations on corruption or bribery	Case(s)	0	3
	No. of corruption or bribery cases confirmed/resolved	Case(s)	0	3

	Unit	2022	2021	2020
Legal and Regulatory Violations				
Violations of environmental laws and regulations	Case(s)	0	0	0
Violations of social laws and regulations	Case(s)	0	0	0
Violations of economic laws and regulations	Case(s)	0	0	3
Violations of product and service safety and health-related laws and regulations	Case(s)	0	0	0
Violations of product and service information and labeling-related laws and regulations	Case(s)	0	0	0
Violations of marketing and communication-related laws and regulations	Case(s)	0	0	0
Legal actions against unfair practices (e.g., anti-trust, anti-monopoly)	Case(s)	0	1 ¹⁾	0

1) 1 case of violation of fair trade: Pulmuone Foods was ordered for correction under the Franchise Business Act (December 30, 2021)

		Unit	2022	2021	2020
Information Security Training					
Information protection	Training hours	Hour(s)	1	1	1
	Training sessions	Session(s)	16	2	1
	No. of participants	Person(s)	305	97	22
Privacy protection	Training hours	Hour(s)	1	1	2
	Training sessions	Session(s)	3	1	2
	No. of participants	Person(s)	167	72	133
Mock training/ exercise for malicious email	No. of training sessions	Session(s)	2	2	2

	Unit	2022	2021	2020
Violations of Information Security				
No. of violations of privacy protection	Case(s)	0	1	0
No. of violations of PI (personally identifiable) information	Case(s)	0	1	0
No. of information security breaches or cyber security incidents	Case(s)	0	2	0

		Unit	2022	2021	2020
Information Security Operation					
No. of security personnel		Person(s)	5	3	2
Information security budget and investment	Budget spent	KRW 100 million	2	1	1
	Investment	KRW 100 million	1	2	2
	Personnel	Person(s)	5	3	2

Environmental Performance

	Unit	2022	2021	2020
GHG Emissions^{1), 2)}				
Scope 1	tCO ₂ eq	58,646	56,075	18,735
Pulmuone Foods	tCO ₂ eq	48,522	46,921	15,926
Others	tCO ₂ eq	10,123	9,155	2,809
Scope 2	tCO ₂ eq	98,828	96,179	49,464
Pulmuone Foods	tCO ₂ eq	64,753	62,611	36,590
Others	tCO ₂ eq	34,075	33,568	12,873
Scope 1+2	tCO ₂ eq	157,473	152,254	68,199
Pulmuone Foods	tCO ₂ eq	113,275	109,532	52,517
Others	tCO ₂ eq	44,198	42,722	15,682
GHG intensity				
Corporate-wide - based on sales	tCO ₂ eq/KRW 100M	5.548	6.044	2.951
Pulmuone Foods - based on production	tCO ₂ eq/ton	0.985	0.916	0.440
Scope 3	tCO ₂ eq	580,756	549,368	33,937
Pulmuone Foods	tCO ₂ eq	531,118	500,013	33,921
Others	tCO ₂ eq	49,638	49,356	23

	Unit	2022	2021	2020
Reduction of GHG Emissions				
Amount of GHG emissions reduced⁴⁾	tCO ₂ eq	2,643	9,076	-

1) Calculated based on the national GHG control guidelines and IPCC guidelines.

2) 2021-2022: both domestic and overseas sites (corporate-wide); 2020: domestic production facilities and selected sites

3) Includes the performance of Exofresh's transportation and distribution and waste generated at business sites (mixed waste plastics only).

Expanded to 7 categories in 2021 and 2022 to recalculate the data

4) Other reductions due to the approval of the externalization of emission credits at the Uiryeong Tofu Production Facilities of Pulmuone Foods.

	Unit	2022	2021	
Other GHG Emission Details^{1), 2), 3)}				
Emission verification data(a)	Subtotal (Category 3~7, 12)	tCO ₂ eq	54,170	51,895
	Pulmuone Foods	tCO ₂ eq	46,315	44,479
	Others	tCO ₂ eq	7,856	7,416
	Category 3. Fuel and energy	tCO ₂ eq	5,504	5,317
	Pulmuone Foods	tCO ₂ eq	3,327	3,236
	Others	tCO ₂ eq	2,177	2,081
	Category 4. Upstream transportation and delivery	tCO ₂ eq	34,275	33,048
	Pulmuone Foods	tCO ₂ eq	34,275	33,048
	Others	tCO ₂ eq	0	0
	Category 5. Waste generation	tCO ₂ eq	5,464	5,828
	Pulmuone Foods	tCO ₂ eq	4,113	4,242
	Others	tCO ₂ eq	1,351	1,586
	Category 6. Business trips	tCO ₂ eq	1,292	1,210
	Pulmuone Foods	tCO ₂ eq	548	707
Others	tCO ₂ eq	744	503	
Category 7. Commuting	tCO ₂ eq	163	163	
Pulmuone Foods	tCO ₂ eq	30	30	
Others	tCO ₂ eq	133	133	
Category 12. Disposal of products sold	tCO ₂ eq	7,473	6,329	
Pulmuone Foods	tCO ₂ eq	4,022	3,216	
Others	tCO ₂ eq	3,451	3,113	
Internally managed data(b)	Category 1.	tCO ₂ eq	526,586	497,473
	Pulmuone Foods	tCO ₂ eq	484,804	455,533
	Others	tCO ₂ eq	41,782	41,940
Emission verification + internally managed data (a+b)		tCO ₂ eq	580,756	549,368
	Pulmuone Foods	tCO ₂ eq	531,118	500,013
	Others	tCO ₂ eq	49,638	49,356

1) Include both domestic and overseas business sites (corporate-wide)

2) Disclose 7 out of 15 categories selected for having a significant impact on Pulmuone, and third-party assurance was conducted for 6 categories excluding Category 1.

3) The above GHG emissions may not be accurate with a margin of error of ±1 tCO₂eq due to being rounded to the nearest whole number.

	Unit	2022	2021	2020
Energy Consumption¹⁾				
Total energy consumption	TJ	2,983	2,880	691
Direct energy consumption	TJ	1,153	1,101	351
Indirect energy consumption	TJ	1,830	1,779	340
Energy consumption by sector				
Pulmuone Foods	TJ	2,079	2,006	592
Others	TJ	904	874	98
Energy intensity				
Corporate-wide - based on sales	TJ/KRW 100M	0.105	0.114	0.030
Pulmuone Foods - based on production	TJ/ton	0.018	0.017	0.005
Renewable energy generated (consumption)				
Solar	TJ	5	4	2.12
Bio	TJ	47	44	0.00
Others	TJ	6	5	1.56
Percentage of power grid²⁾	%	96.8	97.0	98.9
Percentage of renewable energy consumption	%	1.936	1.866	0.533

1) 2021-2022: corporate-wide (2021 data has been adjusted according to the new criteria), 2020: based on certain domestic production facilities and business sites

2) (indirect energy consumption - renewable energy generation)/indirect energy consumption

	Unit	2022	2021	2020
Water Resource Management¹⁾				
Water withdrawal (by source)	1,000 tons	7,668	7,330	3,556
Municipal water supply	1,000 tons	4,828	4,459	-
Groundwater	1,000 tons	2,549	2,617	-
Surface water	1,000 tons	292	254	-
Water withdrawal (by company)²⁾	1,000 tons	7,668	7,330	3,556
Pulmuone Foods	1,000 tons	5,086	4,974	-
Others	1,000 tons	2,582	2,357	-
Water consumption³⁾	1,000 tons	1,243	1,123	797
Pulmuone Foods	1,000 tons	807	641	-
Others	1,000 tons	436	482	-
Amount of water discharged⁴⁾	1,000 tons	6,425	6,207	2,759
Pulmuone Foods	1,000 tons	4,279	4,333	-
Others	1,000 tons	2,146	1,875	-
Water stress⁵⁾ (High/Extremely High regions)				
withdrawal	1,000 tons	1,013	1,376	285
Percentage of withdrawal	%	17.94	13.82	8.02

1) 2021-2022: corporate-wide (2021 data has been adjusted according to the new criteria), 2020: based on certain domestic production facilities and business sites

2) Aggregated from 2021

3) Difference between water intake and discharge by company

4) Amount of water returned to the source of extraction at similar or higher quality as raw water extracted (only applies to surface water and ground water) (ton) : 2022 - 980,203; 2021 - 1,101,906; 2020 - 1,150,243

5) WWF Water Risk Filter, (Domestic - Manufacturing) Chuncheon Tofu Ice, Global Kimchi, (Domestic - Logistics) Yangji Logistics, (Domestic - Rest Area) Yiseo Sang, Yiseo Ha, Hampyeong Sang, Gwangju Sang, Gwangju Ha, Yangpyeong Sang, Yangpyeong Ha, Uijeongbu Sang, Byeona Ha, Oidong Ha, Uiwang, (US)Fullerton, (China)Beijing

	Unit	2022	2021	2020
Waste Management^{1), 2)}				
Amount of waste generated	Ton(s)	26,105	24,893	15,292
Pulmuone Foods	Ton(s)	10,064	10,361	13,002
Others	Ton(s)	16,041	14,533	2,290
General waste (recycled)	Ton(s)	25,553	24,245	15,089
Pulmuone Foods	Ton(s)	9,830	10,105	-
Others	Ton(s)	15,723	14,140	-
General waste (landfilled)	Ton(s)	0.15	0.50	1.00
Pulmuone Foods	Ton(s)	0.00	0.00	-
Others	Ton(s)	0.15	0.50	-
General waste (incinerated)	Ton(s)	507	575	187
Pulmuone Foods	Ton(s)	198	191	-
Others	Ton(s)	309	383	-
General waste (others)	Ton(s)	0	0	0
Pulmuone Foods	Ton(s)	0	0	-
Others	Ton(s)	0	0	-
Designated waste (recycled)	Ton(s)	37	65	11
Pulmuone Foods	Ton(s)	36	64	-
Others	Ton(s)	1	1	-
Designated waste (landfilled)	Ton(s)	0	0	0
Pulmuone Foods	Ton(s)	0	0	-
Others	Ton(s)	0	0	-

	Unit	2022	2021	2020
Waste Management				
Designated waste (incinerated)	Ton(s)	7	7	3
Pulmuone Foods	Ton(s)	0	0	-
Others	Ton(s)	7	7	-
Designated waste (others)	Ton(s)	1.23	0.97	0.00
Pulmuone Foods	Ton(s)	0.56	0.00	-
Others	Ton(s)	0.67	0.97	-
Waste recycling rate	%	98.03	97.66	98.74
Pulmuone Foods	%	98.03	98.15	-
Others	%	98.03	97.30	-
Amount of food waste generated	Ton(s)	15,355	14,598	7,868
Food waste recycling rate	%	99.85	99.88	99.5

1) Domestic business sites

2) 2021-2022: corporate-wide (2021 data has been adjusted according to the new criteria), 2020: based on certain domestic production facilities and business sites

		Unit	2022	2021	2020
Pollutant Management¹⁾					
Atmospheric pollutant emission²⁾	NOx	Ton(s)	14.07	2.00	0.00
	SOx	Ton(s)	0.49	17.00	20.00
	Dust	Ton(s)	0.71	1.00	1.00
Water pollutant discharge	Biochemical Oxygen Demand	Ton(s)	424	363	324
	Chemical Oxygen Demand	Ton(s)	99	135	143
	Suspended Solids	Ton(s)	191	180	198
	Total Nitrogen	Ton(s)	21	24	22
	Total Phosphate	Ton(s)	2	2	3

1) Certain domestic business sites (manufacturing, logistics, CTO)

2) Discharge from 4-5 types of air emission facilities are included from the second half of 2022. Operations exempt from mandatory installation of emission control system are included from 2021

		Unit	2022	2021	2020
Environmental Certifications					
Environmental Certifications	ISO14001	Sites	13	13	13
	GBCI (Green Business Certification)	Sites	2	2	2
	Others ¹⁾	Case	18	12	12

1) Product certifications (e.g., EPD (Environmental Product Declaration), Carbon Trust)

		Unit	2022	2021	2020
Biodiversity¹⁾					
Biodiversity	Endangered species near the site	Species	44	-	-
	Protected wildlife near the site	Species	45	-	-

1) Endangered species designated by the IUCN (International Union for Conservation of Nature) or nationally protected species

Awards and Certifications

Certified

in January 2022

● Korea Environmental Industry and Technology Institute



Certified by the Ministry of Environment for eco-friendly Bio-PET salad containers for the first time in Korea... Bio-PET is 100% recyclable and contains 30% sugarcane-derived extract, which can reduce CO2 emissions by 20% during the entire process of manufacturing, distribution, and incineration. The Bio-PET eco-friendly salad container was certified by the Korea Environmental Industry and Technology Institute of the Ministry of Environment.

Awarded

in January 2022

● Korean Federation of Design Industry Associations



Pulmuone Green Juice's CleanseLab Series won the Package Design Beverage category at the 10th It-Award for its excellent design with emphasis on fresh ingredients.

Awarded

in January 2022

● Ministry of Agriculture, Food and Rural Affairs



Awarded by the Minister of Agriculture, Food and Rural Affairs in recognition of the globalization of kimchi. Contributed to the development of the agriculture, forestry, and livestock food industries by joining the National Food Cluster's project for the globalization of kimchi.

Awarded

in February 2022

● Organic Life



Pulmuone won the Minister of Environment Award at the 2022 Korea ESG Management Awards.

Awarded

in May 2022



Danone Pulmuone Greek Yogurt brand, the No. 1 Greek yogurt brand in Korea for 8 consecutive years (2014–2021, according to Nielsen RI), won the 2022 Consumer Choice Brand Award.

● Chosun Ilbo, Ministry of Trade, Industry and Energy

Certified

in May 2022

● Vegan Standard Certification



Pulmuone opened Plantude, the first vegan certified restaurant in the food industry...Plantude is the first vegan certified restaurant. To be certified as a vegan restaurant, the entire menu should consist of vegan food. It is a rigorous certification that examines not only the primary ingredients, but also the cooking environment, including kitchen equipment, cookware, and utensils.

● Statista, Hankook Ilbo and Korea Times

Awarded

in October 2022

● Korea Marketing Association



Danone Pulmuone won the top honor at the 10th Korea Brand Awards. Recognized for expanding the eco-friendly label-free product line and stepping up as a sustainability leader in the industry. Three flavors of "Hanki Oat" and "I Love Yogurt" also went label-free, reducing 74 tons of plastic use per year.

Awarded

in October 2022

● Korea ESG Award Organization Committee



Pulmuone won the Chungbuk Governor's Award at the 1st Korea ESG Management Awards in recognition of its excellent ESG management.

Certified

in March 2022

● Carbon Trust



Pulmuone was certified for Carbon Footprint Measured with its 6 types of Activia Cup Yogurt... The Activia Cup yogurts were certified for Carbon Footprint Measured by the Carbon Trust, the UK's leading environmental certification body.

Certified

in April 2022

● Korea Food Safety Management Certification Authority



Pulmuone Eumseong Logistics Center (Exofresh Logistics) in Chungbuk, Korea and Yangji Logistics Center (Pulmuone Foodmerce) in Yongin, Gyeonggi-do became the first food logistics centers to obtain HACCP (Hazard Analysis and Critical Control Point) certification from the Korea Food Safety Management Certification Authority.

Awarded

in May 2022

● Ministry of Food and Drug Safety



Recognized by the Chungbuk Governor for its strong commitment to creating a safe food environment with Pulmuone LOHAS Academy and Samsam Meal Center on the 21st Food Safety Day.

Awarded

in May 2022

● Ministry of Food and Drug Safety



Lee Sang-Yoon, the head of Pulmuone Corporate Technology Office, received the Presidential Award at the 21st Food Safety Day. Recognized for contributing to the improvement of food safety through HACCP (Food Safety Management Certification Standard) and global quality system certification and support for microbial technology.

Awarded

in December 2022

● Ministry of Trade, Industry and Energy, Ministry of SMEs and Startups



Yoo Won-moo, the TISO Management Leader, was recognized... by the Minister of Trade, Industry, and Energy for his contribution to enhancing competitiveness and promoting sustainable practices in the industry.

Certified

in December 2022

● Korea Fair Trade Commission, Korea Consumer Agency



Four subsidiaries of Pulmuone were certified for CCM (Consumer Centered Management). Leading the consumer-oriented culture... Pulmuone Health and Living, Orga Whole Foods, and Foodmerce have been certified for CCM for 7 consecutive years, and Pulmuone Green Juice for CCM for 2 consecutive years.

Awarded

in February 2023

● Korea Package Design Association, Ministry of Trade, Industry and Energy, Korea Design Agency



Pulmuone Green Juice won the Korea Package Design Awards with four products at the 31st Korea Package Design Competition. This is the fifth time for Pulmuone Green Juice to win the award after winning in 2016, 2017, 2019, and 2021. Daily Morning Probiotics won the Bronze Award while 4 types of Handy Meal Series, Hyeolhaeng Green, and Water Jelly Apple and Collagen won the Pack Star Award.

Awarded

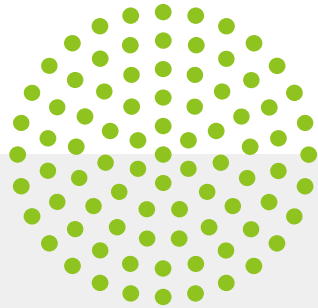
in March 2023

● Korea Management Association Consultants



Pulmuone was named the All Star of the Most Admired Korean Companies for the 17th consecutive year for the first time in the industry. The company has been recognized for its strong commitment to social responsibilities based on its love for neighbors and respect for life since its foundation.

Business Agreements



Pulmuone and the Korean Diabetes Association signed a partnership agreement to improve diets for people with diabetes. As an official sponsor of diabetics in Korea, Pulmuone Food provides foods and information for people with diabetes.

• Korean Diabetes Association

January 2022



Pulmuone and the Ministry of Environment signed a partnership agreement to cooperate on environmental education to support a sustainable future. Nine companies signed the agreement, with Pulmuone being the only general food company to sign.

• Ministry of Environment

June



Pulmuone and CESCO signed an MOU to collaborate on Innovative Total Hygiene Solution for Food Quality and Safety Management.

• CESCO

August



Pulmuone and the Korea Employment Agency for Persons with Disabilities signed an agreement to establish Standardized Subsidiary Workplace for People with Disabilities to create jobs.

• Korea Employment Agency for Persons with Disabilities.



Pulmuone and Jeollabuk-do signed a partnership agreement to collaborate on R&D projects to develop sustainable seafood products.

• Jeollabuk-do



Pulmuone Waters and World Vision, an international relief and development NGO, signed a sponsorship agreement to supply drinking water for children.

• World Vision

September

January 2023

Fact Book

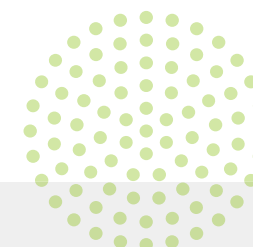
GRI Index

Topic	Disclosures		Page	Note
GRI 2: General Disclosures 2021				
The organization and its reporting practices	2-1	Organizational details	2, 8, 14-17	
	2-2	Entities included in the organization's sustainability reporting	2, 8, 14-15, 69	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	2	
	2-5	External assurance	111	
Activities and workers	2-6	Activities, value chain and other business relationships	16-17, 69, 91	
	2-7	Employees	87	
	2-8	Workers who are not employees	87	
Governance	2-9	Governance structure and composition	70-73	
	2-10	Nomination and selection of the highest governance body	72	
	2-11	Chair of the highest governance body	70, 72	
	2-12	Role of the highest governance body in overseeing the management of impacts	38, 71, 74	
	2-13	Delegation of responsibility for managing impacts	38	
	2-14	Role of the highest governance body in sustainability reporting	74	
	2-17	Collective knowledge of the highest governance body	76	
	2-18	Evaluation of the performance of the highest governance body	74	
	2-19	Remuneration policies	53, 74	
	2-20	Process to determine remuneration	53, 74	
2-21	Annual total compensation ratio	89		

Topic	Disclosures		Page	Note
Strategy, policies and practices	2-22	Statement on sustainable development strategy	7, 10-11	
	2-23	Policy commitments	22, 25, 29, 41, 48, 49, 69, 79, 81, 113, 114-115	
	2-24	Embedding policy commitments	24, 27-28, 30-31, 38, 43-44, 46-47, 49-51, 53, 60, 65-66, 68, 74-75, 80, 82	
	2-25	Processes to remediate negative impacts	27, 82, 66	
	2-26	Mechanisms for seeking advice and raising concerns	27, 82, 66	
	2-27	Compliance with laws and regulations	93	
	2-28	Membership associations	112	
	Stakeholder engagement	2-29	Approach to stakeholder engagement	39, 56
2-30		Collective bargaining agreements	57	
GRI 3: Material Topics 2021				
Disclosures on material topics	3-1	Process to determine material topics	18	
	3-2	List of material topics	18-19	
	3-3	Management of material topics	22, 25, 29	
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022				
Agriculture, Aquaculture and Fishing	13.9	Food security	50, 96	
GRI 200: Economic				
Economic Performance	201-1	Direct economic value generated and distributed	86	
	201-2	Financial implications and other risks and opportunities due to climate change	45	
	201-3	Defined benefit plan obligations and other retirement plans	55	
	201-4	Financial assistance received from government	87	
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	89	

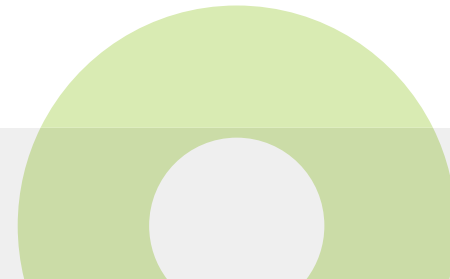
Topic	Disclosures		Page	Note
Anti-corruption	205-1	Operations assessed for risks related to corruption	82	
	205-2	Communication and training about anti-corruption policies and procedures	80	
	205-3	Confirmed incidents of corruption and actions taken	82, 93	
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	93	
Tax	207-1	Approach to tax	83	
	207-2	Tax governance, control, and risk management	83	
	207-3	Stakeholder engagement and management of concerns related to tax	83	
GRI 300: Environmental				
Energy	302-1	Energy consumption within the organization	95	
	302-2	Energy consumption outside of the organization	-	N/A
	302-3	Energy intensity	95	
	302-4	Reduction of energy consumption	46	
Water and Effluents	303-1	Interactions with water as a shared resource	50	
	303-2	Management of water discharge related impacts	50	
	303-3	Water withdrawal	95	
	303-4	Water discharge	95	
	303-5	Water consumption	95	
Biodiversity	304-3	Habitats protected or restored	51	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	97	

Topic	Disclosures		Page	Note
Emissions	305-1	Direct (Scope 1) GHG emissions	94	
	305-2	Energy indirect (Scope 2) GHG emissions	94	
	305-3	Other indirect (Scope 3) GHG emissions	94	
	305-4	GHG emissions intensity	94	
	305-5	Reduction of GHG emissions	94	
	305-6	Emissions of ozone-depleting substances(ODS)	-	N/A
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	97	
Waste	306-1	Waste generation and significant waste-related impacts	48, 50	
	306-2	Management of significant wasterelated impacts	48, 50	
	306-3	Waste generated	96	
	306-4	Waste diverted from disposal	96	
	306-5	Waste directed to disposal	96	
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	63-64	
	308-2	Negative environmental impacts in the supply chain and actions taken	65	



Topic	Disclosures		Page	Note
GRI 400: Social				
Employment	401-1	New employee hires and employee turnover	87	
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	54-55	
	401-3	Parental leave	54-55	
Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	57	
	403-1	Occupational health and safety management system	29-31	
Occupational Health and Safety	403-2	Hazard identification, risk assessment, and incident investigation	30	
	403-3	Occupational health services	30, 55	
	403-4	Worker participation, consultation, and communication on occupational health and safety	29	
	403-5	Worker training on occupational health and safety	31	
	403-6	Promotion of worker health	30, 55	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	30	
	403-8	Workers covered by an occupational health and safety management system	29, 31	
	403-9	Work-related injuries	92	
	403-10	Work-related ill health	92	
	Training and Education	404-1	Average hours of training per year per employee	90
404-2		Programs for upgrading employee skills and transition assistance programs	52-53	
404-3		Percentage of employees receiving regular performance and career development reviews	88	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	73, 88	
	405-2	Ratio of basic salary and remuneration of women to men	89	

Topic	Disclosures		Page	Note
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	89	
Security practices	410-1	Security personnel trained in human rights policies or procedures	-	none
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	51, 67-68	
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	63	
	414-2	Negative social impacts in the supply chain and actions taken	65	
Public Policy	415-1	Political contributions	79	
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	12, 60	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	93	
Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	93	
	417-3	Incidents of non-compliance concerning marketing communications	93	
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	93	



TCFD Index

Recommendations	Recommended Disclosures	Page	Note
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	45	
	b. Describe management's role in assessing and managing climate-related risks and opportunities	45	
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	45-46	
	b. Describe the impact of climaterelated risks and opportunities on the organization's businesses, strategy, and financial planning	45-46	
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	45	
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	45	
	b. Describe the organization's processes for managing climate-related risks.	45	
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	45	
Metrics and Targets	a. Disclose the metrics used by the organization to assess climaterelated risks and opportunities in line with its strategy and risk management process.	47	
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	94	
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	46-47	

※ Pulmuone will publish the TCFD Report in the second half of 2023, some of which are included in this report.

SASB Index

Topic	Code	Metric	Page	Note
Processed Foods				
Energy Management	FB-PF-130a.1	(1) Total energy consumed	95	
		(2) Percentage grid electricity	95	
		(3) Percentage renewable	95	
Water resource management	FB-PF-140a.1	"(1) Total water withdrawn; % of each in regions with High or Extremely High Baseline Water Stress"	95	
		"(2) total water consumed; % of each in regions with High or Extremely High Baseline Water Stress"	95	
	FB-PF-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	93	
	FB-PF-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	50	
Food Safety	FB-PF-250a.3	(1) Total number of notices of food safety violation received	93	
		(2) Percentage corrected	93	
	FB-PF-250a.4	(1) Number of recalls issued	-	none
		(2) Total amount of food product recalled	-	none
Health & Nutrition	FB-PF-260a.2	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	58, 60	

Topic	Code	Metric	Page	Note
Product Labelling & Marketing	FB-PF-270a.3	Number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes	93	
	FB-PF-270a.4	Total amount of monetary losses as a result of legal proceedings associated with labelling and/or marketing practices	93	
Packaging Lifecycle Management	FB-PF-410a.2	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	49	
Environmental & Social Impacts of Ingredient Supply Chain	FB-PF-430a.2	Suppliers' social and environmental responsibility audit non-conformance rate and associated corrective action rate for (a) major non-conformances	65	
		Suppliers' social and environmental responsibility audit non-conformance rate and associated corrective action rate for (b) minor non-conformances	65	
Ingredient Sourcing	FB-PF-440a.2	List of priority food ingredients and discussion of sourcing risks related to environmental and social considerations	63	
Activity Metrics	FB-PF-000.B	Number of production facilities	2	

* Reported on metrics applicable under the laws and regulations of Korea.

Independent Auditor Report

Pulmuone Corporate

To the Shareholders and the BOD of Pulmuone Corporate

■ Opinion on Audit

We have audited the consolidated financial statements for Pulmuone Corporate and its subsidiaries (hereinafter referred to as the "Company"). The consolidated financial statements consist of the consolidated statement of financial position as of December 31, 2022, as well as the consolidated statements of comprehensive income, the consolidated statements of changes in stockholders' equity, the consolidated statements of cash flow, for the years that have since ended, and notes to the consolidated financial statements including a summary of significant accounting policies. In our opinion, the consolidated financial statements fairly present, in the light of materiality, the financial position of the Company as of December 31, 2022, as well as its financial performance and its cash flows for the years that have since ended in accordance with Korean International Financial Reporting Standards.

■ Basis for Audit Opinion

We conducted our audits in accordance with the Korean Standards on Auditing. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of this audit report. We are independent from the Company in accordance with the ethical requirements of the Republic of Korea in regard to the audit of the financial statements and have fulfilled other ethical responsibilities in accordance with the prevailing audit regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

■ Key Audit Matters

Key audit matters are the most significant in the auditor's professional judgement for the audit of the financial statements of the current period. These matters have been addressed in forming our opinion from the perspective of our audit of the consolidated financial statements as a whole, and we do not provide a separate opinion on these matters.

Impairment Test of Cash-Generating Units

■ Reasons for Determining the Key Audit Matters

As disclosed in Note 16 to the consolidated financial statements, the Company has identified indicators of impairment in its U.S. and Japanese subsidiaries, which are independent cash-generating units, and the carrying amounts of the operating assets attributable to these areas are significant.

Furthermore, as disclosed in Note 18 to the consolidated financial statements, the Company performs an annual impairment test for cash-generating units to which indefinite-lived intangible assets, such as good will, have been allocated and their carrying amounts are material.

We have determined the key audit matters given that it involves significant judgment and assumptions by

management, including estimates of future cash flows, growth rates, and discount rates, when testing the impairment of the above cash-generating units.

■ Methods of Addressing the Key Audit Matters

To address the key audit matters, we have:

- Evaluated the qualifications of external experts consulted by the Company
- Determined the Company's cash-generating units and reviewed the appropriateness of the net assets allocated to each cash-generating unit
- Evaluated the appropriateness of the models used in valuation
- Checked whether the estimates of future cash flows are consistent with the business plan approved by the management
- Verified the accuracy of the valuation calculations and reviewed the appropriateness of the value through sensitivity analysis

■ Other Matters

The consolidated financial statements of the Company for the year ended December 31, 2021 have been audited by other auditors in accordance with the Korean Standards on Auditing, who expressed the opinion that it was appropriate in the auditor's report dated March 22, 2022.

■ Responsibilities of the Management and the Governing Body for the Consolidated Financial Statements

The management is responsible for the preparation of these consolidated financial statements and fair disclosure of the data in accordance with the Korean International Financial Reporting Standards. The management is also responsible for the internal control determined as necessary to enable the preparation of the consolidated financial statements that are free from material misstatement due to fraud or error.

In preparing the consolidated financial statements, the management of the Company is responsible for assessing the Company's ability to continue as a going concern, and disclosing matters related to the going concern, where applicable. Unless the management either intends to liquidate the Company or to cease its operations, the management is also responsible for the use of the existence of going concern in the accounting.

The governing body is responsible for overseeing the financial reporting procedure of the Company.

■ Our Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to secure reasonable assurance about whether the consolidated financial statements as a

whole are free from material misstatement due to fraud or error, and issue an auditor's report that includes our opinion. Reasonable assurance implies a high level of assurance, but it does not guarantee that an audit conducted in accordance with auditing standards will always discover a material misstatement. Misstatements may arise from fraud or error. Misstatements are considered material if they can be reasonably expected, individually or collectively, to influence the user's economic decisions made on the basis of these consolidated financial statements.

As part of an audit in accordance with the prevailing audit standards, we exercise professional judgment and maintain professional skepticism throughout the entire audit process. We also perform the following:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures to address those risks. In addition, we obtain sufficient and appropriate audit evidence to provide the basis of our audit opinion. The risk of failing to discover a material misstatement due to fraud overweighs the risk resulting from an error, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the breach of internal controls.
- We understand the necessity of internal control related to the audit in order to design audit procedures that are appropriate for the circumstances. However, it is not intended to express an opinion on the effectiveness of the internal controls.
- We evaluate the appropriateness of accounting policies applied for the preparation of the consolidated financial statements and the reasonableness of accounting estimates with the related disclosures made by management.
- Based on the appropriateness of management's use of the existence of going concern in the accounting and the audit evidence collected, we make conclusions on whether there exists a material uncertainty related to events or conditions that may give rise to significant questions about the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor report regarding the relevant disclosures from the consolidated financial statements and modify our opinion in case such disclosures are found inadequate. Our conclusions are based on the audit evidence obtained up to the date of our auditor report. However, future events or conditions may cause the Company to cease to exist as a going concern.
- We evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and review whether the consolidated financial statements represent the underlying transactions and events in a fair manner.
- We obtain sufficient and appropriate evidence related to the Company's financial information or business operations within the group to enable us to express an audit opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit and are solely responsible for our audit opinion.

We communicate with the governing body of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls identified during our audit.

In addition, we provide a statement to the governing body informing that we comply with the ethical requirements related to our independence and communicate with the governing body any relationships and other matters and, where applicable, the relevant institutional safeguards that are considered relevant to our independence.

From the matters communicated with the governing body, we determine the most significant matters in the audit of the consolidated financial statements of the current period, recognizing them as the key audit matters. We describe these matters in our audit report unless the law precludes public disclosure of the matter or, in extremely rare circumstances, we conclude that a matter should not be communicated in our report because the adverse consequences of doing so would be reasonably expected to outweigh the benefit of public interest by such communication.

The partner in charge of the audit resulting in this independent auditor's report is Jeong Yang-soo, CPA.

100, Hangang-daero, Yongsan-gu, Seoul

Samil PwC

March 22, 2023

CEO Yoon Hoon-soo

This audit report is valid as of March 22, 2023. Events or circumstances may occur since the date and have a material effect on the consolidated financial statements of the Company, and this may result in a revision of this audit report.

Report on the Operating Status of the Internal Accounting Management System

Report on the Operating Status of the Internal Accounting Management System by the CEO and the Internal Accounting Manager

To the Shareholders, the BOD, and the Audit Committee of Pulmuone Corporate

The CEO and the internal accounting manager evaluated the design and operation status of the internal accounting management system for the fiscal year ending December 31, 2022.

Responsibility for the design and operation of the internal accounting management system rests with the management of the company, including the CEO and the internal accounting manager.

For the preparation and disclosure of reliable financial statements, the CEO and the internal accounting manager evaluated whether the company's internal accounting management system is effectively designed and operated to prevent and detect errors or irregularities that may cause distortion of the financial statements.

The CEO and the internal accounting manager used the "Conceptual Framework for Design and Operation of Internal Accounting Control System" (or the name of the specific system used) presented by the Internal Accounting Management System Committee as a reference for the design and operation of the internal accounting management system. In addition, the "Evaluation and Reporting Best Practices for Internal Accounting Management System" (or the name of the specific system used) presented by the Internal Accounting Management System Committee was used as an evaluation standard in evaluating the design and operation status of the internal accounting management system.

From the evaluation of the design and operation status of the internal accounting management system conducted by the CEO and the internal accounting manager, we have found that as of December 31, 2022, our internal accounting management system is effectively designed and operated from the perspective of materiality based on the "Conceptual Framework for Design and Operation of Internal Accounting Control System" (or the name of the specific system used).

The CEO and the internal accounting manager confirmed that the report was not falsely stated or indicated, and that the matters to be stated or indicated were not omitted.

In addition, the CEO and the internal accounting manager confirmed that the report does not contain or indicate facts causing any serious misunderstanding, and the report was checked and reviewed in person with due care and diligence.

14, Feb, 2023

CEO Lee Hyo-yul (Signature)



Internal Accounting Manager Lee Jeong-eon (Signature)



Audit Committee's Internal Accounting Management System Evaluation Report

Audit Committee's Internal Accounting Management System Evaluation Report

To the Shareholders and the BOD of Pulmuone Corporate

The Audit Committee evaluated the design and operation status of the company's internal accounting management system for the fiscal year ending on December 31, 2022.

Responsibility for the design and operation of the internal accounting management system rests with the management of the company, including the CEO and the internal accounting manager, and the Audit Committee is responsible for management and oversight.

Based on the operation status report of the internal accounting management system submitted to the Audit Committee by the CEO and the internal accounting manager, the Audit Committee evaluated whether it is effectively designed and operated to prevent and detect errors or irregularities that may cause distortion of the financial statements and enable the preparation and disclosure of reliable financial statements, and whether the internal accounting management system actually contributes to the preparation and disclosure of credible accounting information.

In addition, the Audit Committee checked whether anything was falsely stated or indicated, or whether any matters to be stated or indicated were omitted in the operation status report of the internal accounting management system, and reviewed whether the correction plan of the internal accounting management system could actually contribute to the improvement of the company's internal accounting management system.

The company used the "Conceptual Framework for Design and Operation of Internal Accounting Control System" presented by the Internal Accounting Management System Committee as a reference for the design and operation of its internal accounting management system.

The Audit Committee used the "Evaluation and Reporting Best Practices for Internal Accounting Management System" presented by the Internal Accounting Management System Committee as an evaluation standard in evaluating the design and operation status of the internal accounting management system.

The Audit Committee has found that as of December 31, 2022, the company's internal accounting management system is effectively designed and operated from the perspective of materiality based on the "Conceptual Framework for Design and Operation of Internal Accounting Control System."

14, Feb, 2023

Chairman of the Audit Committee Kim Woo-jin (Signature)



Independent Assurance Statement

To readers of 2022 Pulmuone Integrated Report

■ Introduction

Korea Management Registrar (KMR) was commissioned by Pulmuone to conduct an independent assurance of its 2022 Integrated Report (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of Pulmuone. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with Pulmuone and issue an assurance statement.

■ Scope and Standards

Pulmuone described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process. We also confirmed that the report was prepared in accordance with the TCFD recommendations and SASB.

- GRI Sustainability Reporting Standards 2021
- Universal standards
- Topic specific standards
 - GRI 200(Economy) : 201, 205, 206, 207
 - GRI 300(Environment) : 302-1, 302-3, 302-4, 303, 305, 306, 308
 - GRI 400(Social) : 403, 405, 406, 410, 414, 416

- SASB Sustainability Disclosure Topics & Accounting Metrics
- TCFD recommendations

As for the reporting boundary, the engagement excludes the data and information of Pulmuone' partners, suppliers and any third parties.

■ KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report
- reviewed materiality assessment methodology and the assessment report
- evaluated sustainability strategies, performance data management system, and processes
- interviewed people in charge of preparing the Report
- reviewed the reliability of the Report's performance data and conducted data sampling
- assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases

■ Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by Pulmuone to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

■ Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with Pulmuone on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

Pulmuone has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

Pulmuone has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

Pulmuone prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of Pulmuone's actions.

Impact

Pulmuone identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

■ Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

■ Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with Pulmuone and did not provide any services to Pulmuone that could compromise the independence of our work.

September 2023 Seoul, Korea



CEO E. J. Hwang

GHG Emissions Verification Statement

DNV BUSINESS ASSURANCE
GREENHOUSE GAS ASSURANCE STATEMENT
 No.: AS_PRJN-543438-2023-01(2022)-AST-KOR
Pulmuone Co., Ltd.

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by Pulmuone Co., Ltd. ("Pulmuone") to verify its Greenhouse Gas Inventory Report for the calendar year 2022 ("the report") based upon a limited level of assurance. Pulmuone is responsible for the preparation of the GHG emissions data on the basis set out within the 'ISO 14064-1:2018 (Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals), 'WRI/WBCSD GHG Protocol 2004' and '2006 IPCC Guidelines for National Greenhouse Gas Inventories'. Our responsibility in performing this work is to the management of Pulmuone only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

Scope of Assurance

The emissions data covered by our examination comprise Direct emissions (Scope 1) and Energy indirect emissions (Scope 2) from following companies:

- Reporting Boundary: Pulmuone Co., Ltd., Pulmuone Foods Co., Ltd., LOHAS Academy Co., Ltd., Pulmuone Danone Co., Ltd., CDS Associates Co., Ltd., Pulmuone Water Co., Ltd., Pulmuone Health & Living Co., Ltd., Pulmuone Food & Culture Co., Ltd.
- Operational Boundary: Direct Emission(Scope1); Stationary and Mobile emission, other GHG emissions); Indirect Emission(Scope2: Emissions from consumption of electricity and heat)

Verification Approach

The verification has been conducted by DNV from May to June and performed in accordance with the verification principles and tasks outlined in ISO 14064-3:2019. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level, concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process:

- We have reviewed and verified the Greenhouse Gas Inventory Report of Pulmuone (including activity data, GHG emission calculation results, emission factors, and other parameters)
- We have reviewed and verified the process to generate, aggregate and report the emissions data

Conclusions

Based on the above verification of core elements, it is the DNV's opinion that nothing comes to our attention to suggest that GHG emissions are not properly calculated, and a significant uncertainty and error are included in the GHG Emissions and Energy consumption of Pulmuone's consolidated companies for the year 2022 below:

GHG Emissions and Energy Consumption of Pulmuone from Yr 2022

	Greenhouse Gas emissions (tCO ₂ -eq)			Energy consumption (TJ)							Total
	Scope 1	Scope 2 ⁽¹⁾ (location-based)	Total ⁽²⁾ (Scope 1,2)	Fuel	Electricity	Renewable Energy					
						Solar Photovoltaic	Solar Thermal	Geothermal	Biomass		
Pulmuone	58,646	98,828	157,473	1,106	1,819	5	3	3	47	2,983	

⁽¹⁾ The 'location-based' emissions are GHG emissions reflected as Scope2 based on average emissions intensity of grids on which energy consumption occurs (using specific grid-average emission factor data)
⁽²⁾ Total emissions = Direct emissions(Scope 1) + Energy indirect emissions(Scope 2)

08 September 2023

Lee Jang Sap
 Country Representative
 DNV Business Assurance Korea Ltd

DNV BUSINESS ASSURANCE
GREENHOUSE GAS ASSURANCE STATEMENT
 No.: AS_PRJN-543438-2023-01(2021)-AST-KOR
Pulmuone Co., Ltd.

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by Pulmuone Co., Ltd. ("Pulmuone") to verify its Greenhouse Gas Inventory Report for the calendar year 2021 ("the report") based upon a limited level of assurance. Pulmuone is responsible for the preparation of the GHG emissions data on the basis set out within the 'ISO 14064-1:2018 (Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals), 'WRI/WBCSD GHG Protocol 2004' and '2006 IPCC Guidelines for National Greenhouse Gas Inventories'. Our responsibility in performing this work is to the management of Pulmuone only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

Scope of Assurance

The emissions data covered by our examination comprise Direct emissions (Scope 1) and Energy indirect emissions (Scope 2) from following companies:

- Reporting Boundary: Pulmuone Co., Ltd., Pulmuone Foods Co., Ltd., LOHAS Academy Co., Ltd., Pulmuone Danone Co., Ltd., CDS Associates Co., Ltd., Pulmuone Water Co., Ltd., Pulmuone Health & Living Co., Ltd., Pulmuone Food & Culture Co., Ltd.
- Operational Boundary: Direct Emission(Scope1; Stationary and Mobile emission, other GHG emissions); Indirect Emission(Scope2: Emissions from consumption of electricity and heat)

Verification Approach

The verification has been conducted by DNV from May to June and performed in accordance with the verification principles and tasks outlined in ISO 14064-3:2019. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level, concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process:

- We have reviewed and verified the Greenhouse Gas Inventory Report of Pulmuone (including activity data, GHG emission calculation results, emission factors, and other parameters)
- We have reviewed and verified the process to generate, aggregate and report the emissions data

Conclusions

Based on the above verification of core elements, it is the DNV's opinion that nothing comes to our attention to suggest that GHG emissions are not properly calculated, and a significant uncertainty and error are included in the GHG Emissions and Energy consumption of Pulmuone's consolidated companies for the year 2021 below:

GHG Emissions and Energy Consumption of Pulmuone from Yr 2021

	Greenhouse Gas emissions (tCO ₂ -eq)			Energy consumption (TJ)							Total
	Scope 1	Scope 2 ⁽¹⁾ (location-based)	Total ⁽²⁾ (Scope 1,2)	Fuel	Electricity	Renewable Energy					
						Solar Photovoltaic	Solar Thermal	Geothermal	Biomass		
Pulmuone	56,075	96,179	152,254	1,057	1,769	4	2	3	44	2,880	

⁽¹⁾ The 'location-based' emissions are GHG emissions reflected as Scope2 based on average emissions intensity of grids on which energy consumption occurs (using specific grid-average emission factor data)
⁽²⁾ Total emissions = Direct emissions(Scope 1) + Energy indirect emissions(Scope 2)

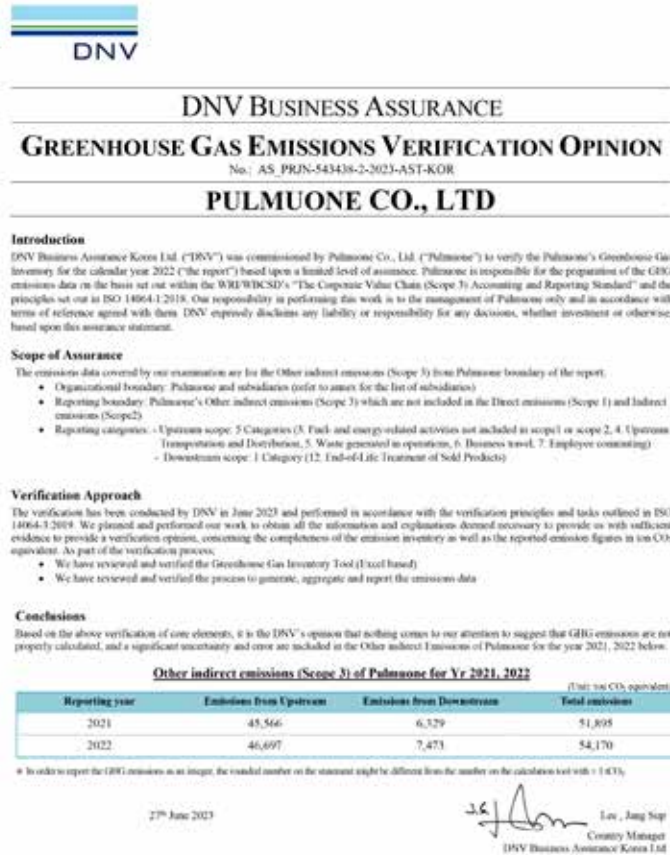
27 June 2023

Lee Jang Sap
 Country Representative
 DNV Business Assurance Korea Ltd

Global Initiatives and Memberships

Pulmuone supports and associates with various initiatives to improve its own ESG capabilities and those of its industry and to achieve global goals.

Global Initiatives	<ul style="list-style-type: none"> • UN SDGs • UN Universal Declaration of Human Rights • ILO International Labour Organization
Industrial Associations, etc,	<ul style="list-style-type: none"> • BEST ESG Forum (The Institute for Industrial Policy Studies) • CGF(The Consumer Goods Forum) • Korea Chamber of Commerce and Industry • Korea Food Industry Association • Korea Fair Competition Federation • Korean Society of Food Science and Technology • Korea Employers Federation • The Korean Museum Association • Korea Industrial Technology Association • The Korean Society of Food Science and Nutrition • Korea Soybean Society • Environmental Compulsory Education • Korea Exchange • Korea Listed Companies Association • International Society of Life Sciences of Korea



Guideline on Pulmuone Environmental, Safety, Health

Guideline on Pulmuone Environmental, Safety, Health

To practice the mission of 'the company that makes a healthy tomorrow for people and the planet with wholesome foods,' we will enhance the sustainability of the Earth's environment in the process of production and sales of products and services and push ESH management to enhance the environmental security performance, ensuring that people and the Earth are healthy. In addition, Pulmuone will comply with ESH regulations applied to our company and other requirements.

■ Compliance

- Reduce non-financial risks regarding product and service products and improve brand value by operating environmental security management system.
- Employees of Pulmuone perceive the ESH management system in the whole business activity and voluntarily explore and improve risk factors, improve their health, reduce energy and water, save energy, and recycle.
- This guideline is strongly recommended for suppliers, service providers, contractors, and individual contractors to apply, thus protecting the environment and creating a safe work environment.

■ Product and service

- Reduce environmental effects in the whole process from the design of products and services to production, logistics, use, and disposal and take the lead in eco-friendly products and services.

■ Production facility, business facility

- The company consistently improves the environment of workplace through education and inspection to provide all employees with a safe and healthy work environment in Pulmuone.
- Pollutant emission standard is 1/2 of the legal standard and wastewater discharged to the stream is managed by agricultural water standard.
- The outcome regarding water, energy, climate change, environmental safety, waste, and production environment is evaluated regularly and disclosed to internal and external stakeholders.

■ Logistics and distribution

- Recognize the environmental effects regarding greenhouse gases and packing material reusability and establish plans to improve them.

■ Waste management

- We manage the waste occurrence history of Pulmuone and set the goal to lessen the volume. Regarding food loss and waste, Pulmuone complies with more strict standards.
- We measure and manage the loss and waste volumes with the life cycle of each food category and manage them by setting the reduction goal.
- We push for recycling food loss and waste, share the related programs with suppliers, and pursue the sustainable industry ecosystem.

■ Product and service suppliers and partners (JV, license, outsourcing partner, etc.)

- Suppliers and business partners of Pulmuone comply with environmental safety regulations and other requirements, thus mutually cooperating and improving the management level.

■ Due diligence and M&A

- When due diligence and M&A kick in, Pulmuone will weave this ESH guideline into the evaluation process to ensure that it is reflected in all enterprises.

■ Local community

- Pulmuone pursues environmental protection and CSR by cooperating with the local community to fulfill responsibility

Pulmuone Respect for Human Rights Declaration

Pulmuone Respect for Human Rights Declaration

(Date enacted: Oct 27, 2022)

■ Pledge

Pulmuone create healthy tomorrow for the people and planet with wholesome food.

We officially support international human rights and labor standards based on

- The Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational enterprises
- UNGC UN Global Pulmuone Compact 10 Guidelines
- Convention on the Rights of the Child
- ILO's eight fundamental conventions

and obeys the labor laws of all countries and regions running the business to put emphasis on human dignity and value and fulfill social responsibility.

Declaration of Human Rights Respect is the basis for respecting humans and protecting the human rights of stakeholders and we adhere to the following.

■ Responsibility

Pulmuone's Respect for Human Rights Policy applies to Pulmuone employees, and also we follow it based on Pulmuone's CSR Charter when dealing with all stakeholders and business partners.

Pulmuone encourages business partners to respect international standards regarding human rights and Pulmuone's Respect for Human Rights Policy, sharing this declaration with all stakeholders who are influenced by our business activities and contributing to awareness and its expansion.

■ Basic Principles

1. Human respect

- Pulmuone respects all employees and stakeholders as a human being and strives to foster a working environment free of physical and emotional inhumane treatment and threats such as coercion and abuse.
- Pulmuone understands that business activities across product development and product and service provision may affect the human rights of employees and stakeholders potentially and actually and manages risks.
- Pulmuone strives to actively remedy when the violation of human rights takes place.

- Pulmuone abides by internationally qualified human rights standards and regulations applied in all places where business is taking place and seeks directions to comply with global human rights standards.
- When it comes to risks that may bring about serious human rights violations, the company deals with the risks as an important management issue.

2. Employment and working conditions without discrimination

- Pulmuone does not discriminate against employees by gender, race, belief, religion, physical condition, level of education, age, birth region, country of origin, political views, disability, or medical history and offers employment opportunities and working condition equally.
- Pulmuone respects the personality of members and treats them fairly and reasonably according to their capabilities and performance.
- Pulmuone aims to ensure the protection of maternity and work-family balance stipulated in related laws including Equal Employment Opportunity and Work-Family Balance Assistance Act and does not discriminate against women in terms of childbirth leave and childcare leave.

3. Ensure the freedom of association and collective bargaining

- Pulmuone ensures that employees establish unions and membership freely and activities of unions do not lead to disadvantages.
- Pulmuone ensures the right of collective bargaining through the representative of a union. In addition, Pulmuone must not refuse to conduct collective bargaining and respect and implement the outcome of collective bargaining sincerely.
- Pulmuone provides the representative of a union with the information and resources necessary to carry out union activities.

4. Prohibition of Forced Labor and Observance of Work Hours

- Pulmuone observes work hours in accordance with Labor Standards Act and shall not force a worker

to work against his/her own free will.

- Pulmuone shall not force a worker to work against his/her own free will, including trafficking, slavery, debt labor, and forced labor caused by mental and physical imprisonment.
- Pulmuone strives to allow wages and benefits of employees to exceed the minimum level stipulated in labor regulations of each country and region.

5. Prohibition of Child Labor

- Pulmuone pursues the eradication of child labor.
- According to the standards of ILO, Pulmuone strictly prohibits the labor of any person younger than the age of compulsory schooling and any person younger than the age of 15. (Apply local law or acts when the age criterion is stricter.)
- When a child younger than the age of 15 was employed, we check the child, help them to get back to his/her home, and encourage them to complete the compulsory schooling.
- Pulmuone never establishes the transaction relationship with enterprises conducting child labor.

6. Ensure Industrial Safety

- Pulmuone offers hygienic working conditions and ensures the rights of safety and the right to rest.
- Pulmuone provides separate safety equipment and safety education when workers work in dangerous working conditions.
- Regarding the accidents and diseases that occurred at the workplace, Pulmuone takes action according to related regulations including Occupational Safety and Health Act.
- Pulmuone identifies and controls the harmful and risky factors of all stakeholders, establishing the system and fostering an environment ensuring safety.

7. Responsible supply chain management

- Pulmuone guarantees equal opportunity in all business relations and conducts transparent and fair business.
- Pulmuone informs business partners in cooperation and business relations of the human rights policy and supports and cooperates with them for implementation. In addition, in a case of violation of human rights in

business relations, we listen to the opinions of a lot of stakeholders and come up with remediation.

- When serious human rights violations committed by business partners are not corrected, we will stop business relations.

8. Human rights protection of local residents

- Pulmuone respects and protects the right to live, safety right, and property rights and is careful not to infringe on human rights.

9. Ensure Environmental right

- Pulmuone establishes and maintains the environmental business system and consistently discloses related information internally and externally.
- Pulmuone must stick to a precautionary approach regarding environmental issues, establishing an emergency plan to prevent and ease severe environmental damage and environmental disaster.

10. Customer Satisfaction and Personal Information Protection

- Pulmuone endeavors to establish and act on strict principles regarding product development and service provision to ensure the health recovery, health enhancement, and happiness of customers.
- Pulmuone protects the personal information of customers acquired during business activities in accordance with personal information protection acts.

**Team/Department/Divisions participating in the publication
of the Report** (on the last page)

Management Planning Team
Management Consulting Department
Purchasing Innovation Department
Internal Control Evaluation Team
Mutual Growth Office
Digital Strategy Team
Legal Department
Brand Team
Food Safety Team
Safety Planning Team
Consolidated Accounting Team
R&D Planning Center
Respect for Human Rights Management Team
HR
Planning Team
HR Development Team
Funding Department
Information Security Team
Compliance Support Team
Eco-friendly Agriculture and Fisheries Team
Packaging Research Team
Overseas Corporation
PR Team
Environmental Engineering Team
Biz HR Team
Bio Safety Team
CS Planning Team
CS Communication Team
FI Business Department
H&S Research Team
MIT
P&P Development Department 1

We would like to thank you all of who directly or indirectly contributed to the publication of the Pulmuone 2022 Integrated Report.

Pulmuone Co., Ltd. www.pulmuone.co.kr

8F, Rosedale Building, 280 Gwangpyeong-ro, Gangnam-gu, Seoul | Tel 02-2040-4400

Integrated Report Department Pulmuone TISO Management Office / TISO Management Secretaria ESG Management Team



Pulmuone Co., Ltd. www.pulmuone.co.kr

8F, Rosedale Building, 280 Gwangpyeong-ro, Gangnam-gu, Seoul | Tel 02-2040-4400

Integrated Report Department Pulmuone TISO Management Office



Pulmuone Co., Ltd. www.pulmuone.co.kr

8F, Rosedale Building, 280 Gwangpyeong-ro, Gangnam-gu, Seoul | Tel 02-2040-4400



This report was printed on eco-friendly paper in soy oil ink.