

사람이 희망이다

People: Our Strength and Source of Hope

2024 Yuhan-Kimberly
20th Sustainability Report

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How the 2024 Sustainability Report Differs from Previous Editions?

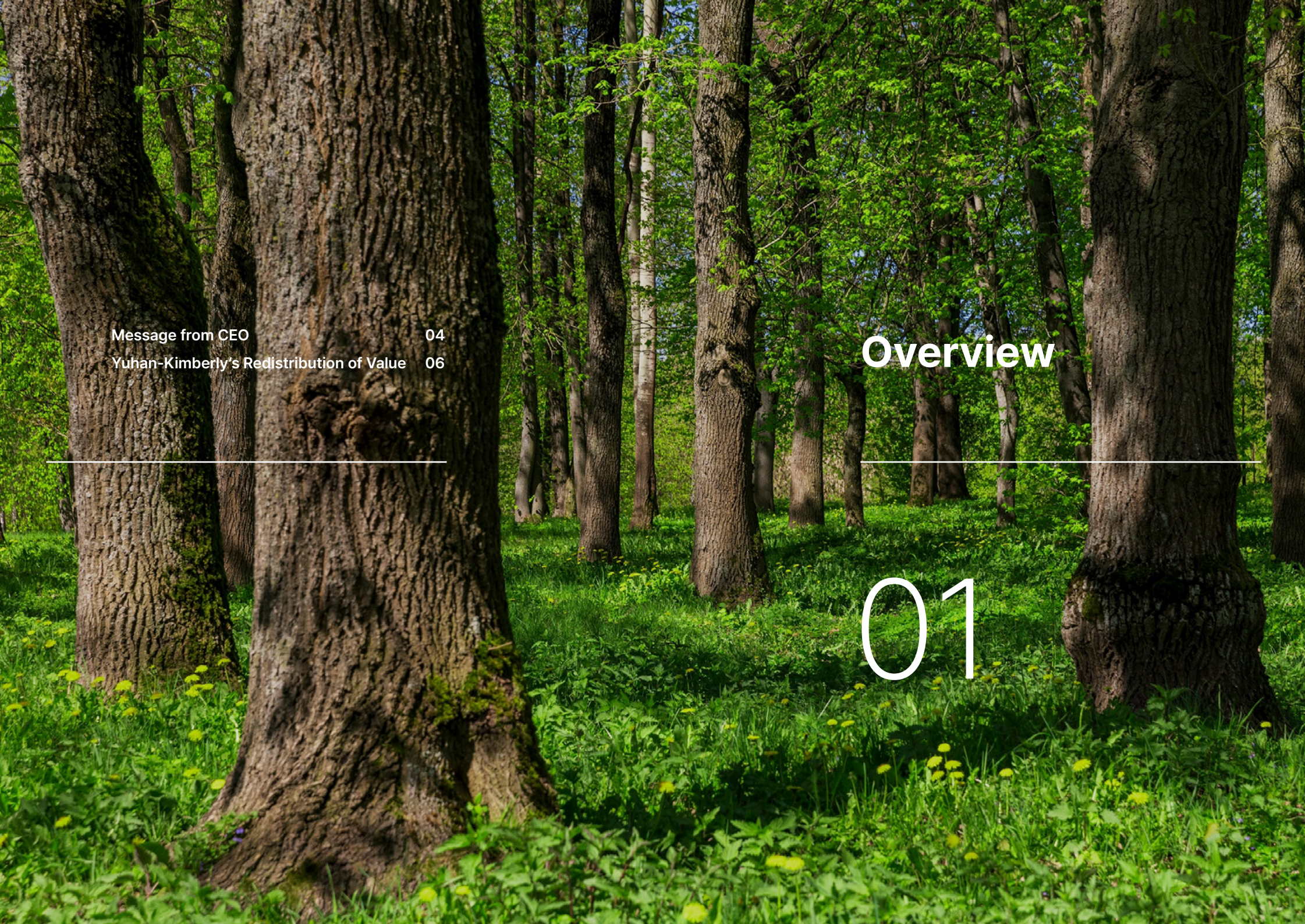
- Changing the Naming Criteria of the Publication Year** To enhance readers’ understanding, the report title now reflects the reporting period rather than the year of publication. Accordingly, the title has been changed from 2025 Sustainability Report to 2024 Sustainability Report, ensuring consistency between the reporting period and the title.
- Special Project Marking the 20th Edition of the Yuhan-Kimberly Sustainability Report** To mark the 20th edition of the Yuhan-Kimberly Sustainability Report, special pages have been prepared to reflect on key milestones, changes, and learnings. Through this, we aim to look back on the path we have taken over the past 20 years and to share our sustainable management vision for the future.
- Analyzing Financial Impact of Climate Risks/Opportunities** To systematically respond to risks that may arise from climate change, we conducted a quantitative analysis of the potential financial impact of climate-related risks and opportunities.
- Expanding the Scope of Biodiversity Assessment** Following Kimcheon, we expanded the scope of biodiversity impact assessment to Taejon and Choongju, aiming to identify potential risks and turn them into opportunities for improvement.

Reporting Principles	Reporting Boundary	Cycle of Publication	General
Reporting in accordance with GRI (Global Reporting Initiative) Standards 2021 and reflecting UN SDGs (UN Sustainable Development Goals), TCFD (Task Force on Climate-related Financial Disclosures), SASB (Sustainability Accounting Standards Board), the 10 Principles of the UN Global Compact and other global standards and initiative indicators	The reporting scope includes the Yuhan-Kimberly headquarters, Kimcheon/Taejon/Choongju Plants, and the Seocho Research Center. Since Yuhan-Kimberly has no subsidiaries on the audited consolidated financial statements, its financial performance is presented on a separate basis, and the reporting scope of non-financial performance is the same as financial performance. Where the reporting scope is different, it is indicated separately.	On an annual basis (first published in 2006)	JayHoon Lee, SoWon Kim, NamJeon Park, YangSook Jeon
		Month of Publication	Sustainability Report Secretariat
		June 2025	SeungPhil Lee, NaYeong Lim, IRe Cho, ChanSoon Choi, YunHa Kim
		Report Assurance	Economic
		Assured by the BSI Korea (an independent third-party assurance agency) in accordance with AA1000AS v3	GeunHo Kim, YoungIl Kim, ChanWoo Kim, YoonJae Park, MiYe Shin, JungHo Shin, YoonJee Oh, YuYoung Yoon, SeungKon Lee, SeungPhil Lee, EunJi Lee, EunJoo Jung, KyuSik Cho, MiYeon Cha, MinYeong Choi, EoYeon Hwang
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			External Assurance
			BSI Korea Advisor Yoon & Yang LLC Design The Plan Up
			Yuhan-Kimberly Website
			https://www.yuhan-kimberly.co.kr

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Message from CEO



We are committed to exemplary sustainable management for our society.

Dear Esteemed Stakeholders,

In 2025, Yuhan-Kimberly marks its 55th anniversary and the publication of our 20th Sustainability Report—a meaningful milestone in our journey. As we reflect on our history, we are reminded of how we have evolved with the times, and more importantly, of the values we have steadfastly upheld throughout our journey. Our unwavering pursuit of responsible management—for society, the environment, and our business—often requires dedication and long-term commitment, rather than easy compromises. While the road ahead remains long, each step we take continues to guide and strengthen us as we advance.

Economic, Social, and Environmental Performance in 2024

From our business point of view, 2024 our sales reached KRW 1.3809 trillion, a 4.4% decrease from the previous year, impacted by shrinking birth rates, a declining female population, and changes in our distribution partners’ strategies amid rising global uncertainties. Despite a contracted overall market and challenges in core categories, we achieved sales growth in our Aging Care, Baby & Child Care, Wipes, and Cleaning Products, reaffirming underlying strengths and potential. For example, incontinence pads recorded 14.2% growth, Baby & Child Care maintained increasing market share, and our introduction of Korea's first plant-based baby bottles further strengthened our market leadership.

At the same time, we invested a total of KRW 45.5 billion in new nonwoven fabric production facilities and the undergrounding of the Kimcheon Plant power line, securing engines for future growth. Through a logistics network redesign project to adapt to fast-changing supply chain dynamics, we have built a competitive supply chain while contributing to reduced greenhouse gas emissions and a lower carbon footprint through the optimization of transport distances.

On the social and environmental front, our Taejon plant became the first in Korea to achieve GMP (Good Manufacturing Practice) certification for tampons, further strengthening product safety and quality. Kimcheon plant received FSC® CoC (FSC® C207933) certification from the Forest Stewardship Council®, officially recognizing that Kleenex toilet tissue, select facial tissues, and kitchen towels produced there are manufactured with full sustainability and traceability from certified forests to finished goods. This stands out as a meaningful achievement for the Kleenex brand, which is committed to environmental responsibility.

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At the company-wide level, we conducted proactive ESG risk assessments and exceeded our sustainability initiative targets. In 2024, sustainable products accounted for 63% of our sales; we cut petroleum-based plastics by 4,100 tons versus 2019 and reduced greenhouse gas emissions by 14.2% compared to 2015. We continued expanding our BI:CYCLE hand towel resource-circulation campaign and, through Life Cycle Assessment (LCA), objectively demonstrated the significant carbon-reduction benefits of hand towel recycling versus conventional incineration.

Notably, 2024 marked the 40th anniversary of our ‘Keep Korea Green’ campaign. Together with our stakeholders, we have planted and cared for over 57 million trees across 16,500 hectares (an area 56 times the size of Yeouido), embodying our dedication to growth hand-in-hand with the community. Additionally, our ‘Cheer Up, Daughters’ campaign for menstrual equity celebrated its 10th anniversary, and Huggies’ ultrasmall diapers surpassed 6 million pad donations to date.

Sustainability Challenges for 2025

Looking ahead, we anticipate continued economic uncertainty in 2025. We recognize that the key to sustainable growth, even in challenging times, lies in staying true to our fundamentals. Just as the strength of a nation comes from its people, consumer trust and insight are the ultimate drivers of our growth. Now more than ever, it is crucial to see through the eyes of our consumers and act with their needs in mind.

In 2025, we aim to turn Yuhan-Kimberly’s unique strengths into a proactive growth strategy that generates robust virtuous cycles. Our distinct ability to identify consumer-driven opportunities, execute agilely, act with the spirit of a market leader, and synergize an integrated value chain will continue to set us apart. Through the growth of our core businesses, strategic expansion into adjacent segments, and increased productivity, we will deliver even greater value to all our stakeholders.

From infants to seniors, Yuhan-Kimberly’s products and services are part of the daily lives of people across Korea. To view our responsibilities through the eyes of our consumers means rising to meet higher expectations, including society’s and the environment’s most pressing concerns. We will remain guided by the perspective and needs of our stakeholders.

Last year, Yuhan-Kimberly became the first company to receive the Presidential Citation under the National Quality Special Award for Sustainable Management. I extend my sincere gratitude to all stakeholders for your trust and encouragement. Even amid challenges, we will continue to listen attentively and pursue harmonious growth that considers economic, social, and environmental impact.

Thank you.

June 2025
CEO and President of Yuhan-Kimberly

이제훈

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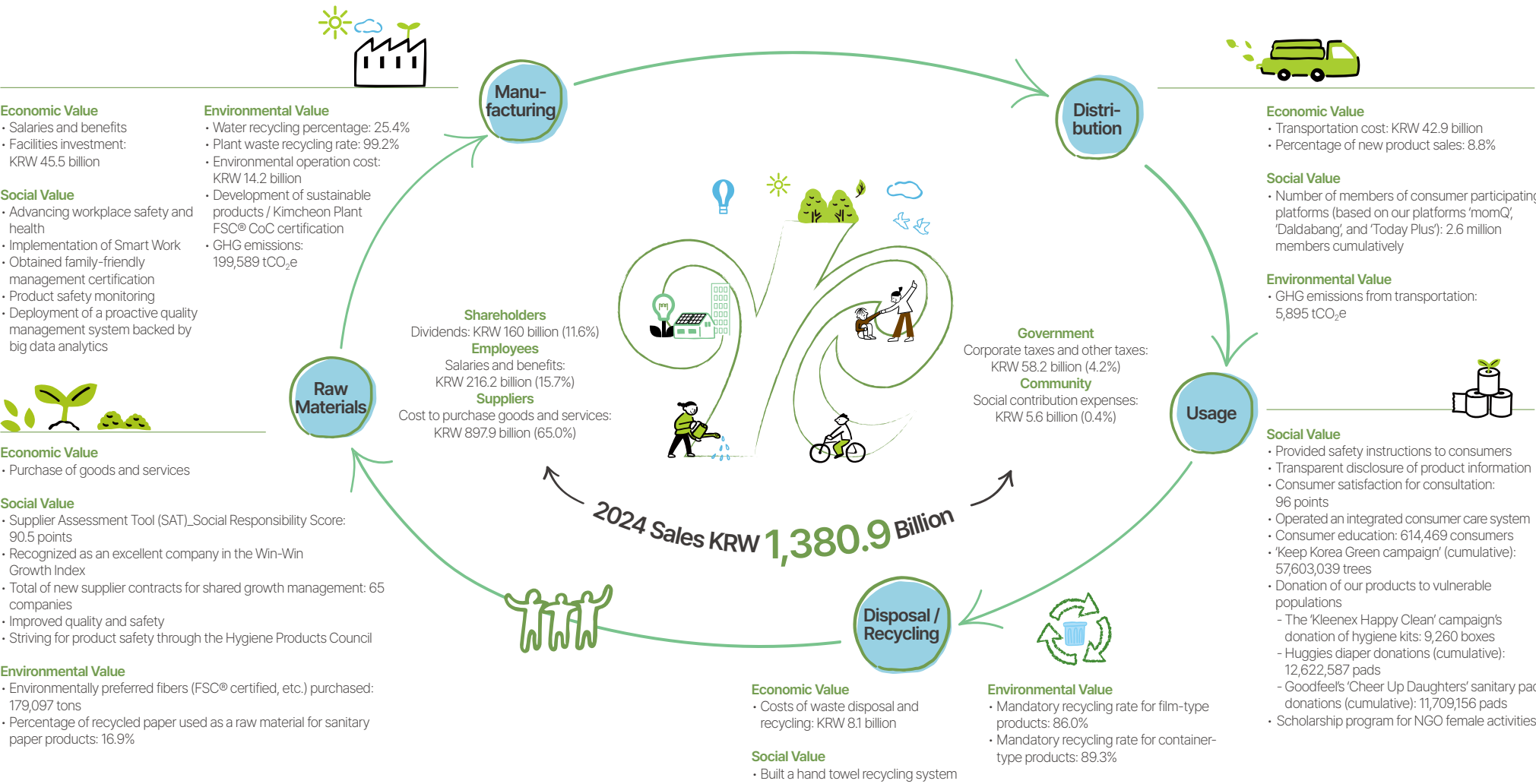
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Yuhan-Kimberly's Redistribution of Value

Sustainable Management Value Chain

We redistribute the value created by our business activities to the value chain, including our supply chain, and the external environment surrounding the company. From the cost of purchasing raw materials to the cost allocated to end stakeholders, we have been transparently disclosing the details of this redistribution based on economic profitability, social responsibility, and environmental soundness since the 2013 Sustainability Report. We would like to thank our stakeholders for their support.



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Sustainability Strategy

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Sustainable Management System

Sustainable Management Governance

In 2021, Yuhan-Kimberly launched the ESG Committee, a body directly under the CEO, to establish a strategic ESG response system and continue company-wide implementation. The ESG Committee regularly reports key issues to the BOD, and in 2024, it reported three times on major ESG achievements, including the company-wide safety and health plan, ESG governance, and ESG diagnosis results and improvement tasks. In addition, we have established goals for our 2030 sustainability initiative, which are continuously reviewed and implemented by the Committee. We are also constantly strengthening our ESG response capabilities by identifying key risks and improvement tasks through ESG diagnosis and reflecting them in our plans for the coming year.

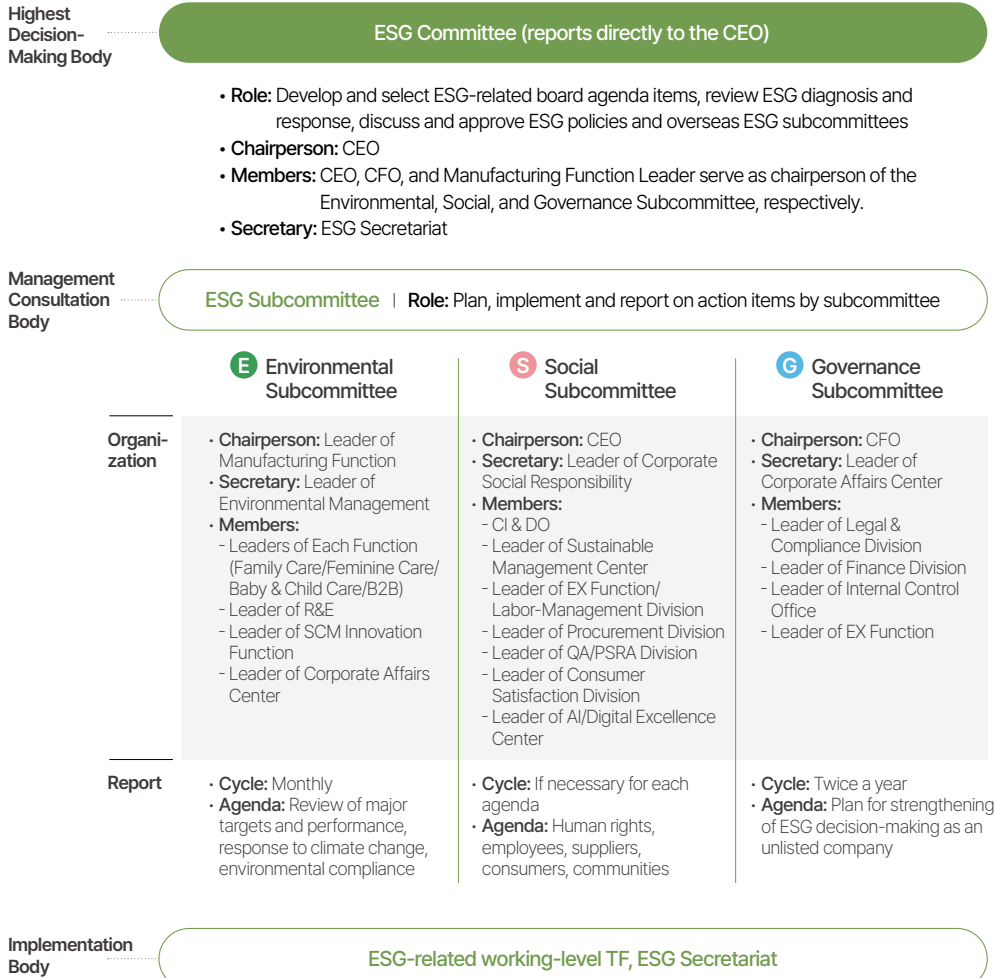
Composition and Activities of ESG Committee

Yuhan-Kimberly has a systematic decision-making structure for the purpose of effective ESG management. The ESG Committee, the highest decision-making body for sustainability management, is chaired by the CEO, with the chairperson of ESG subcommittees participating as members. The Committee holds regular meetings twice a year to discuss sustainability agendas and make key decisions. The ESG subcommittees are divided into Environmental (E), Social (S) and Governance (G) sectors, and the CEO, the head of the Manufacturing Function and the CFO serve as chairpersons. Based on their expertise in each field, the subcommittees plan tasks to be implemented and report major issues and progress to the ESG Committee. The ESG Working Committee is aimed at increasing execution capability in collaboration with the subcommittees, and after an annual self-assessment, relevant employees temporarily participate to carry out tasks requiring improvement. In 2024, we newly established operating rules for the ESG Committee to clarify the Committee's structure and operation. In response to strengthened environmental regulations and increased legal responsibilities, we dealt with the current status of environmental management and response strategies as a special agenda for in-depth discussions.

2024 Yuhan-Kimberly's Implementation of ESG Management



Organization of ESG Committee



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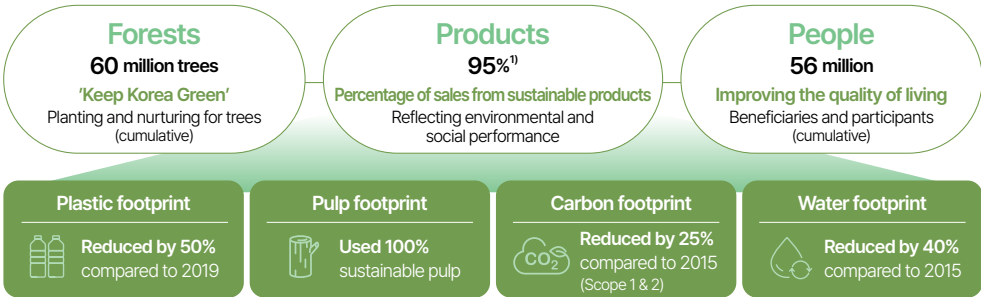
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Sustainable Management System

2030 Sustainability Initiatives and 2024 Performance

Yuhan-Kimberly organized the 2030 Sustainability Initiative into three areas (forests, products and people) and four subcategories linked to products, and for each area, it measures and manages the performance against targets. In 2024, while we exceeded our 2024 targets in the Plastics, Pulp and Carbon Footprint areas, we fell short of our targets in the Products and Water Footprint areas, so we are planning to strengthen our implementation in these areas.

2030 Sustainability Initiative, Goals and 2024 Performances



Areas	Summary of Major Performance in 2024	Sustainability Achievements in 2024	2025 Goals	2030 Goals
Forests	• Continued restoration of domestic forests and creation of Yuhan-Kimberly forest in Mongolia • Biodiversity conservation and restoration of forest fire areas	513,000 trees (Cumulative: 5760 million)	450,000 trees (Cumulative: 58.05 million)	60 million trees (Cumulative)
Products	• Green Action Alliance for development and application of sustainable materials • Completed application of recycled plastic for 30% of the total petroleum-based materials used for B2C products (films and containers)	Sales from sustainable products ¹⁾ 63%	65%	95%
People	• Donation of products to help economically/socially vulnerable groups • Consumer education for improving awareness of menstruation, hygiene and health and childcare.	5,600,000 (Cumulative: 43.1 million)	4,200,000 (Cumulative: 47.1 million)	56 million
Plastic footprint	• Strengthened review for the environmental performance of product design	Reduction of plastic use ²⁾ 14%	17%	50% ²⁾
	• Expanded the use of recycled plastics (packaging) • Adopted biomass-derived materials	Percentage of recycled plastics (packaging) 35%	40%	50%
Pulp footprint	• Used certified pulp from planned forests • Obtained FSC® CoC for Kimcheon Plant	Use of sustainable pulp ³⁾ 100%	100%	100%
Carbon footprint	• Reduced GHG emissions through energy efficiency	14.2%	14.5% ⁴⁾	25% ⁵⁾
Water footprint	• Conducted water reduction TF activities	0% ⁶⁾	4.2% ⁷⁾	40% ⁷⁾

1) Total sales is calculated based on the domestic market and excludes sales agency products and safety-regulated B2B products, e.g., health care and safety products from 2024.
2) Plastic footprint goal: The base year is 2019, in line with our shareholder (Kimberly-Clark).
3) Sustainable pulp: Refers to FSC® and PEFC certified pulp sourced from overseas forest certification agencies, domestic and imported recycled fiber, and alternative pulp such as bamboo
4) Established the goals in consideration of the increase in production to be caused by the operation of TM 10 Tissue Machine.
5) Carbon footprint goal: The goals are related to GHG Scope 1 & 2 in line with our shareholder (Kimberly-Clark), and the base year is 2015.
6) Increase in water usage due to the operation of TM 10 Tissue Machine and delayed stabilization of facilities.
7) Water footprint goal: Only Kimcheon Plant; 2015 was used as the base year in line with the 2030 target of our shareholder (Kimberly-Clark)

Forests

The “Keep Korea Green” campaign is Yuhan-Kimberly's social contribution campaign that has continued since 1984. This campaign involves planting and nurturing trees with various stakeholders, including consumers, with the goal of encouraging more people to directly experience forests and appreciate their value. As of 2024, a cumulative total of 57.6 million trees have been planted and nurtured, covering an area of 16,616 hectares. Yuhan-Kimberly has set a target of reaching a cumulative total of 58.05 million trees by 2025, and aims to plant and nurture a cumulative total of 60 million trees by 2030, by planting and nurturing for more than 450,000 trees each year.

Products

Yuhan-Kimberly has established its own standards for environmental and social aspects, defining products that meet these criteria as sustainable products and continuously expanding the use of such products. The environmental criteria include reduction of the use of virgin plastics in raw materials and packaging, reduction of carbon footprint and certifications from the Ministry of Environment. The social criteria are set primarily based on the UN Sustainable Development Goals (SDGs). The sales from sustainable products reached 63% in 2024, with targets set at 65% and 95% for 2025 and 2030, respectively. In addition, Yuhan-Kimberly shares examples of major sustainable products with employees and stakeholders in an effort to raise awareness of sustainability in everyday life.

People

Yuhan-Kimberly continuously carries out company-wide social contribution activities, while also strengthening social impact initiatives at the brand level—such as consumer education, product donations to vulnerable groups, and development of products with universal accessibility in mind. As a result, by 2024, Yuhan-Kimberly contributed to improving the quality of life for a cumulative total of about 43.1 million beneficiaries and participants, with the goal of reaching 47.1 million in a cumulative total by 2025. We also plan to continuously expand our social impact so that 56 million people can benefit from our initiatives by 2030.

Criteria for Sustainable Products¹⁾ & and Contribution Areas

Category	Contribution Area	Assessment Criteria	Related Standards
Environmental Attributes	Reduction of/transition to plastic use ²⁾	Application of at least 50% non-petroleum-based materials	• Shareholder(Kimberly-Clark)'s goal for reduction of plastic
		Use of at least 30% recycled plastic in packaging (target: 50%)	• Yuhan-Kimberly's Environmental Management 3.0
	Reduction of carbon footprint	10% reduction of carbon footprint	• Yuhan-Kimberly's Environmental Management 3.0
	Strengthening environmental performance	Acquisition of national certificates (eco-label, low-carbon/reusable products)	
Social Attributes	Products to improve quality of living, universal right to health, etc.		• UN SDGs

1) Total sales is calculated based on the domestic market and excludes B2B healthcare products and safety products from 2024.
2) Products that meet quantitative goals as of 2019 are referred to as sustainable products.

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Sustainable Management System

CEO Sustainability Performance and Goals for 2024

Yuhan-Kimberly recognizes sustainable management as a core agenda and systematically manages relevant performance by including not only economic goals but also social and environmental sustainability goals in the CEO's annual goals. In particular, in 2024, we set plastic footprint and carbon footprint as important goals and exceeded them, while also meeting all objectives in the social sector.

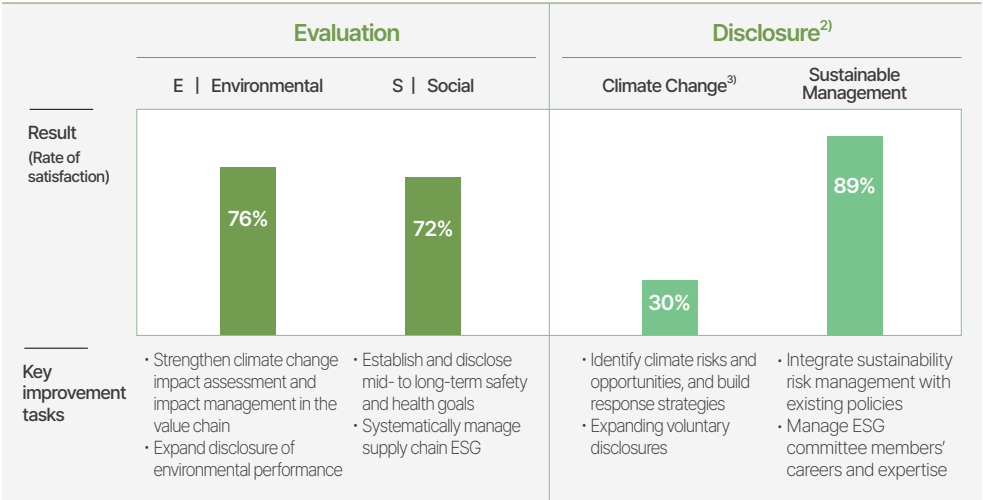
CEO's Sustainability Performance in 2024 and Goals for 2025

● Goal exceeded ● Goal met ● Effort required				
Classification	2024 Goals	2024 Performance	Achievement	2025 Goals
Economic	Grow revenue and profit by executing financial goals	Total revenue in 2024 3.3% ▼, Baby & child care products ▼, feminine care products ▼, family care products ▼, aging care products ▲, baby accessories products ▲	●	• Grow revenue and profit by executing financial goals • Improve year-on-year market share in major businesses
	Improve year-on-year market share in major businesses	Baby & child care products ▲, feminine care products ▼, family care products ▼, aging care products ▼	●	• Execute bold and pioneering innovations
Social	Strengthen corporate brand and reputation through the empowerment of corporate culture and employees	• Ranked in the overall top 5 of Korea's Most Admired Companies for 21 consecutive years • 'No. 1 at Korean Sustainability Index (Household products industry sector) • Received the Presidential Citation under the National Quality Special Award for Sustainable Management • Developing female leaders (16.0% → 16.7%)	●	• Build teamwork among highly engaged employees by strengthening organizational cultures
	Strengthen consumer-centered management and provide personalized consumer experiences	• FSC® CoC certification (Kimcheon Plant) • Quasi-drug GMP of Taejon Plant for the first time for tampons • KS Service certification for Customer Satisfaction Center	●	• Develop world-class talent and capabilities
	Internalize the employees' way of working and a growth mindset	• 2024 Korea Human Resource Development Award • Training of Power BI users	●	
	Reduce plastic usage by 3,800 tons (compared to 2019)	• Reduced plastic use by 4,100 tons	●	• Reduce plastic use by 4,800 tons (compared to 2019)
Environmental	Reduce GHG emissions by 13.5% (compared to 20)	• Reduced GHG emissions by 14.2%	●	• Reduce GHG emissions by 14.5% (compared to 2015)

Risk Management through ESG Diagnosis

Yuhan-Kimberly enhances its ESG diagnostic indicators annually to strengthen its sustainable management capabilities and conducts regular internal assessments based on these indicators. In 2024, we expanded and revised its internal diagnostic indicators to include a total of 703 items (203 for assessment and 500 for disclosure), reflecting changes in the global disclosure regulatory framework. The self-assessment results showed that Yuhan-Kimberly maintained a compliance rate of 70% and 40% for external evaluation criteria and disclosure criteria, respectively. In particular, disclosure indicators were reviewed based on global standards such as the IFRS ISSB sustainability disclosure standards, the U.S. SEC's climate disclosure rules, and ESRS by the EFRAG, with the priority given to climate change and sustainable management. Through this process, Yuhan-Kimberly was able to comprehensively assess the level of company-wide ESG management systems and information disclosure required both domestically and internationally, while identifying its current position and explore directions for future improvement at the same time. Although Yuhan-Kimberly is not a listed company and therefore has no disclosure obligations, we demonstrates its strong commitment to sustainable management by maintaining a high level of information disclosure both internally and externally. In addition, based on the results of the diagnosis, we identify key improvement tasks in the environmental and social sectors, report them to the BOD after a review by the ESG Committee, and transparently disclose performance and progress on these tasks through the Sustainability Report.

Results of 2024 ESG Diagnosis and Key Improvement Tasks¹⁾



1) Responses to the climate change assessment in Disclosure are classified into three categories-not applicable, decision needed to reflect management indicators and managed but not disclosed. Yuhan-Kimberly plans to expand voluntary disclosures and incorporate additional management indicators through decision-making.
2) Some of the global disclosure frameworks (EU ESRS) are currently undergoing indicator reduction and adjustment of requirements. It is expected that the rate of satisfaction for disclosure indicators will increase once the final standards are confirmed.
3) The relatively low disclosure satisfaction rate in the Climate Change is due to the absence of applicable requirements in domestic and international disclosure standards, or non-disclosure of certain existing performance results.

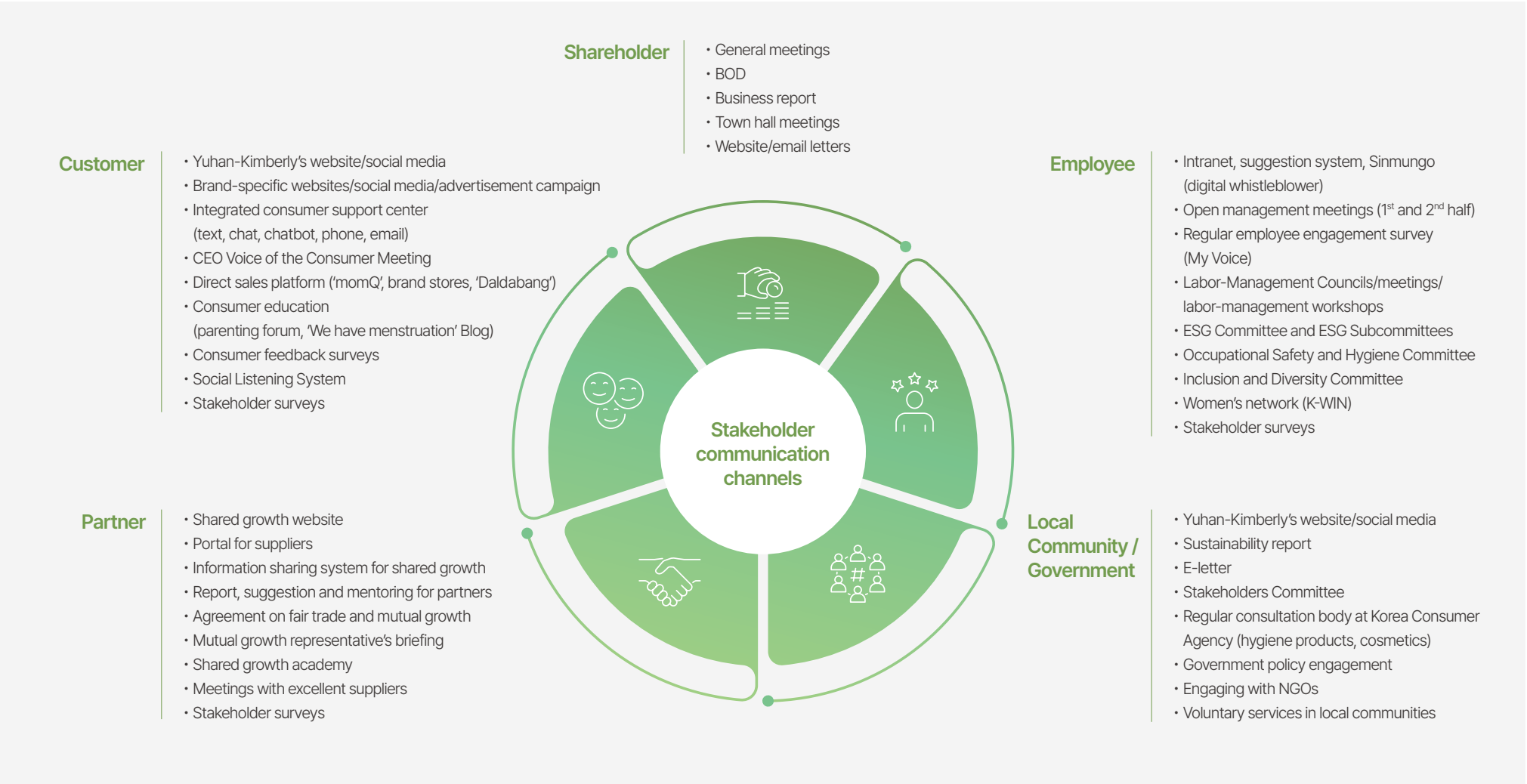
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Stakeholder Communication Channels

Yuhan-Kimberly actively communicates with its stakeholder in various ways to ensure that their feedback is incorporated throughout its business operations. Our key stakeholders include shareholders, consumers, partners, employees, local communities and the government and we regularly conduct stakeholder and consumer surveys, including the employee satisfaction survey (My Voice). The opinions collected are reflected in the formulation and execution of management strategies, leading to more effective decision-making and the creation of sustainable outcomes.



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Stakeholder Communication Channels

21st Stakeholders Committee

The meeting of the 21st Stakeholders Committee, held on October 16, 2024, was conducted under the agenda of “Challenges for Sustainability: Yuhan-Kimberly's Sustainable Products and Brand Innovation Strategies.” Throughout the world, strengthened regulations related to sustainability are prompting a reassessment of existing business models and demanding a major shift toward sustainable products and brands. Accordingly, the Committee discussed whether the current direction and targets for sustainable products are sufficiently ambitious given the heightened regulatory and stakeholder expectations, what key opportunities we should focus on, and what capabilities are needed to adapt to these changes (Chairperson: JungBien Moon, Professor of Korea University).

“ Product design standard that consider the life cycle is key to a circular economy ”

The circular economy is gaining attention as a means of addressing issues such as reducing waste, lowering carbon emissions throughout the entire product lifecycle and ensuring the continued supply of key raw materials. Accordingly, the European Union (EU) is preparing new environmental regulations aimed at increasing product circularity—notably, the New Circular Economy Act. Korea is also promoting related policies, including the announcement of the “K-Circular Economy Implementation Plan.” For resource circulation and transition to a circular economy, it is essential to establish product design standards that consider circularity from a life-cycle perspective—from product planning to their use and disposal. We need to develop a sustainable product design framework, expand the use of recycled materials and set carbon footprint targets based on Scope 3 emissions, so as to drive real reductions in carbon output.

JiHye Jo | Researcher,
Division for Resource Circulation Research of Korea Environment Institute

“ Thinking about the next generations, bold attempts at differentiation are needed ”

Over the past 20 years, Yuhan-Kimberly has played a leading role in ESG management, placing emphasis on sustainability and social responsibility. However, at this point, it is necessary to seek more advanced ESG management strategies and to develop differentiated activities. In particular, since the company produces a wide range of products for all generations, it should leverage differentiation strategies that take into account the eco-friendliness and sustainability of its products. With growing interest in sustainability, concerns about greenwashing are also increasing. To address these concerns, companies must disclose accurate data and clear targets related to ESG management. Only those that go beyond simple marketing strategies to implement genuine ESG management will be able to gain stronger trust.

YoonMi Cho | CEO Consumer Action for Future

“ ESG is a paradigm that requires both controlled pace and innovative communication campaigns ”

Transition to green economy and ESG are recognized as inevitable paradigm shifts, but the speed of transition needs to be carefully adjusted. A rapid and drastic transition without sufficient preparation may lead to adverse side effects, and therefore, each industry must determine an appropriate pace of change. Eco-design is a key factor in enhancing product sustainability, so the transition of products should be promoted carefully and systematically after thorough planning. In particular, it is essential to establishing a data platform for product information management in order to ensure comprehensive oversight of product data and provide a foundation for adapting to the pace of change. In addition, an effective communication strategy is necessary.

YeonSung Jung | Professor of Business and Economics, Dankook University

“ Need a touchpoint in communication, Preparation for Scope 3 should begin now ”

All citizens are stakeholders of Yuhan-Kimberly. While it is very important to create innovative and sustainable products, it is equally vital to communicate these efforts so that the public is well informed. Since Yuhan-Kimberly's products are easily accessible to consumers, establishing strong touchpoints in communication is essential. Ultimately, ESG is closely linked to the climate crisis. Therefore, communication should be carefully aligned with such agendas. In addition, as a leading company dedicated to building a sustainable environment and society, Yuhan-Kimberly should aim for comprehensive and balanced environmental and social contributions, covering Scope 1, 2, and 3. In particular, the company needs to prepare for and take actions on climate-related disclosures across its entire Scope 3 supply chain.

HyeRan Hong | Secretary General, Korea NGO's Energy Network

“ ESG trend should be found in competition, innovation and opportunities rather than a regulatory response; signature sustainable products are needed ”

Korean companies tend to focus on regulatory compliance, but in reality, ESG is more about competition than regulations. As companies are continuously innovating and discovering new opportunities within this trend, it is important to approach ESG from the perspective of competition. For Yuhan-Kimberly, raising awareness and building empathy for sustainability among domestic consumers is crucial for long-term growth. Therefore, it is important to have signature products that represent the company's commitment. In order for the company to move from simply producing sustainable products to effective branding, there must be a corporate philosophy and members who deeply understand it. Going forward, it will be necessary to move beyond simple imagery to interact with consumers through specific signature products or sustainable lifestyles. This approach can help the brand's philosophy to be rediscovered and foster greater empathy among consumers.

RanHee Park | President & Editor-in-Chief of IMPACT ON

“ Key to sustainable products is interactions with consumer, but it is necessary to consider ESG from a social perspective ”

The key to sustainable products is interaction with consumers. Efforts to drive innovation—especially by enabling technological interaction with consumers—are essential. Specifically, products and services must be delivered in ways that align with how consumers today are willing to engage, which differs from the approaches used in the past. It is also important to ensure that ESG management encompasses not only environmental protection, but also social contributions. In the context of Korean society, it is necessary to consider how companies can contribute to addressing critical issues such as regional depopulation and aging.

SeungYun Lee | Professor of Business Administration, Konkuk University

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Double Materiality Assessment

Double Materiality Assessment

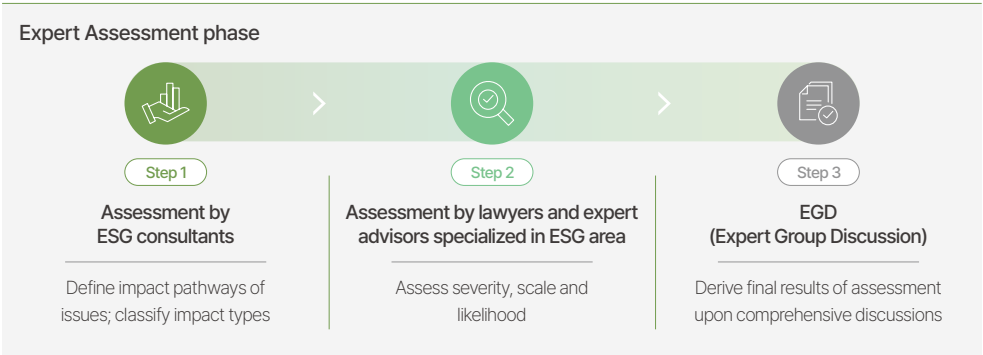
Yuhan-Kimberly systematically manages risks and opportunities related to sustainable management issues and regularly conducts materiality assessments to integrate them into its management strategies. Since 2023, we have adopted a double materiality assessment approach that considers both ‘impact’ and ‘financial’ perspectives to identify key material issues. The overall process consists of four steps: issue pool selection, identification and assessment of impacts, selection of material issues and reporting. In the phase of identification and assessment of impacts, Yuhan-Kimberly quantitatively analyzes the importance of each issue by gathering feedback from key stakeholders, conducting expert evaluations and referring to global standards. Material issues are then confirmed following review by the ESG Committee. In addition, we transparently disclose both the selected material issues and related response activities and outcomes through our Sustainability Report.

Process of 2025 Double Materiality Assessment

1	2	3	4
Issue Pool Selection	Identification and Assessment of Impacts	Selection of Material Issues	Reporting
Review current sustainability status of Yuhan-Kimberly to select a pool of 26 issues	Assess impact materiality and financial materiality of each issue through engagement of Yuhan-Kimberly's major stakeholders and analysis of global standards	Select 10 material issues through internal review based on the results of major impact assessment	Transparently disclose Yuhan-Kimberly's strategies, plans, activities and performance related to material issues
Major areas of review	Identification and assessment of impacts ¹⁾	Steps to select material issues	Reporting of material issues
Understanding Yuhan-Kimberly's activities and businesses in the sustainability perspectives - Review of 2024 issue pool - Review of policies, strategies and activities - Media analysis Understanding of ESG management trends and characteristics of the industry - Analysis of the issues intensively managed by other companies in the same industry - Analysis of ESG disclosure standards and assessment indicators - Analysis of ESG and major trends in the relevant industry	Impact characteristics Impact materiality - Severity (scale, scope, and irremediability), likelihood, magnitude of impact, stakeholder interest Financial materiality - Magnitude and likelihood of impact on revenue and costs Impact types Common - Actual/Potential - Positive/Negative - Short/Medium/Long Term	Step 1 Review of results of impact analysis by ESG department of Yuhan-Kimberly Step 2 Determination of weight and propriety Step 3 Final selection of material issues through review of assessment results by the ESG Committee	ESG Committee Reporting and Approval

Expert Assessment

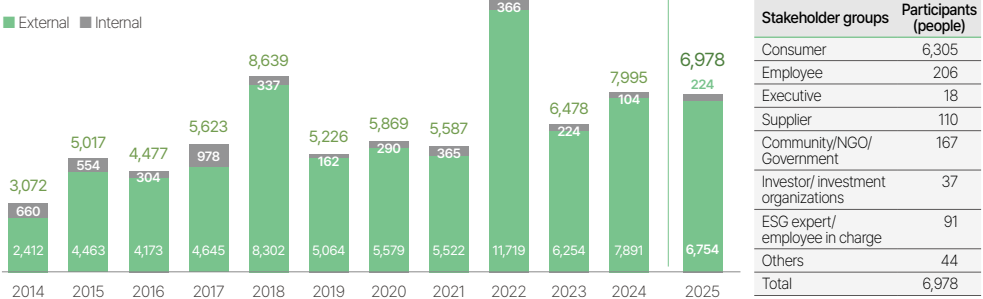
To enhance the accuracy of impact and financial materiality assessments for each issue, Yuhan-Kimberly introduced an expert assessment process in 2024. This process involves ESG consultants, lawyers, and external experts. The experts comprehensively review both the company's internal conditions—e.g., history of relevant issues and response activities—as well as international guidelines and relevant legal frameworks. They then assess the materiality of each issue based on predefined criteria and quantitative scales. The final assessment results are derived through discussions among the experts.



Feedback from Stakeholders

Yuhan-Kimberly conducts annual surveys of key stakeholder groups to systematically identify their perceptions of and the impacts related to material issues. In 2025, the survey was conducted via the website from April 1 to April 12 and targeted employees, consumers, partners, local communities/NGOs/government, ESG consultants/ personnel, investment institutions, and company executives and a total of 6,978 participants took part in the survey.

No. of Stakeholders Surveyed



* As the double materiality assessment was adopted in 2023, the number of questions more than doubled and the number of participants decreased.

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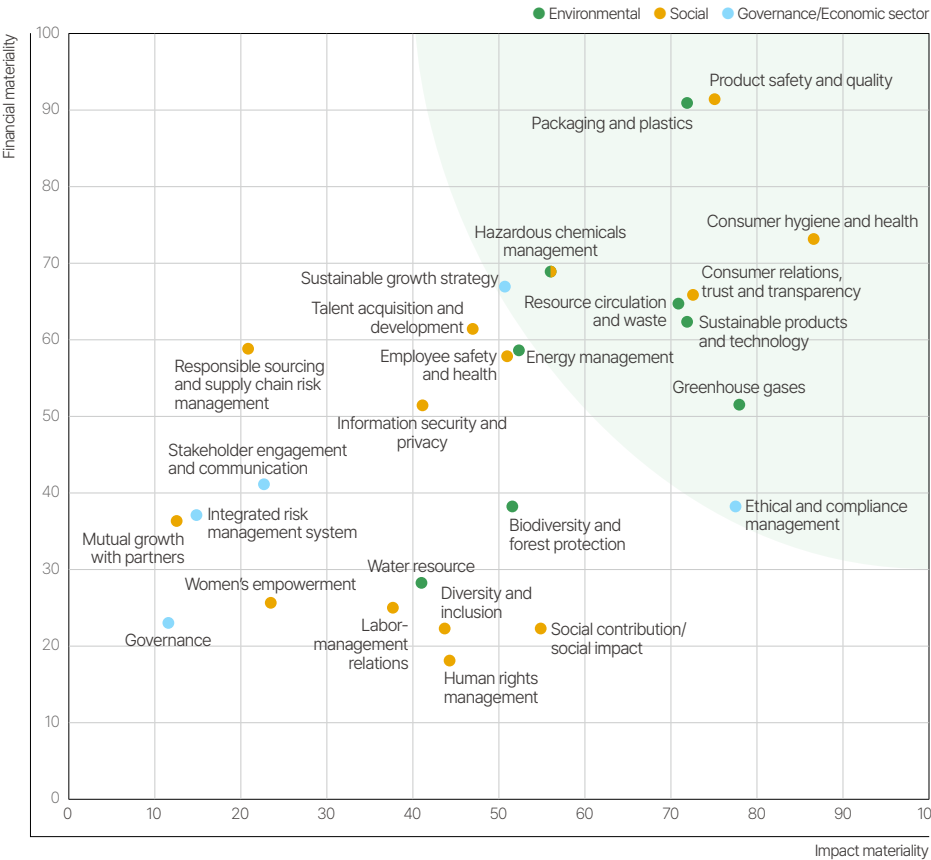
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Double Materiality Assessment

Selection of Top 10 Material Issues

Yuhan-Kimberly selected the top 10 material issues with the highest impact by combining the results of the impact materiality and financial materiality assessments. In June 2025, the ESG Committee conducted the final review and approved the materiality assessment results and the material issues identified.

2025 Double Materiality Assessment Matrix



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Double Materiality Assessment

Yuhan-Kimberly's Management Approach to the 10 Material Issues

We are engaged in various activities based on our strategies to manage the impacts of each material issue, which are described in more detail on each relevant page of this report. We will continue to advance our response strategies and activities to prevent and mitigate risks and actively create opportunities for material issues.

● Environmental ● Social ● Governance/Economic sector

Material issues	Response strategy	Key activities and performance	Page	Relevant UN SDG targets
Product safety and quality	Consumer safety is Yuhan-Kimberly's top priority and is managed under an advanced product safety assurance process that exceeds the level required by national laws. We conduct safety management activities at all stages of product development, production, and post-launch distribution, while continuously monitoring the safety of raw materials and products, potential issues and compliance with laws.	- Raw material safety standards stricter than statutory standards, and 2,091 reviews of safety and laws - Acquired quasi-drug GMP for sanitary pads (2023) and tampons (2024) for the first time; acquired and maintained ISO 9001 (Quality Management System) 42 pre-release conformance tests to ensure product quality, compliance, safety, and efficacy - Conducted at least semi-annual inspections in preparation for major civil disasters and monitored raw materials and product safety - Collected consumer complaints and operated a system to prevent defects - Conducted a campaign for internalization of a quality first culture	81-83	
Packaging and plastics	Yuhan-Kimberly is working toward the goal of reducing the use of petroleum-based plastics by 50% by 2030 compared to 2019, in order to minimize the environmental impact of its products. To this end, we have established detailed mid- to long-term plastic reduction strategies for each business division and conduct annual performance evaluations for continuous improvement. We apply the 3R strategy—Reduce, Recycle and Replace—in developing the packaging and products. Additionally, we have established a separation and collection system to facilitate the recycling of plastic waste, and are utilizing specialized recycling companies to raise the resource circulation rates.	- Achieved a 14% reduction in plastic use compared to 2019 - Achieved a 35% transition to recycled plastics in packaging compared to 2019 - Recycled 1,049 tons of waste synthetic resins from Choongju Plant for raw materials for plastic container products - Applied packages containing over 30% of recycled plastics to the entire film packaging	39-42	 
Consumer hygiene and health	Under the vision of 'We Act Life-Health-Planet', Yuhan-Kimberly develops and expands products and services to promote the consumers' health and hygiene. In addition, we provide health and hygiene information through our own platform, conduct various consumer education programs, and contribute to the improvement of quality of life for consumers by donating products to vulnerable groups.	- Expanded portfolio of cleaning, personal care and B2B hygiene products - Proactively and comprehensively responded to industry issues through participation in the Hygiene Product Consultation Body - Donated diapers and sanitary pads to underprivileged and vulnerable children and adolescents - Provided consumer health information and educational contents through our own platforms, e.g., 'momQ', 'Daldabang' and 'Today Plus' - Operated 'We Are on Period', a blog providing menstruation-related information	58-61, 81-83, 87	
Consumer relations, trust and transparency	Yuhan-Kimberly considers trust with consumers as the core foundation of its business and incorporates the consumers' perspectives throughout the entire product lifecycle, from planning to post-use, through consumer-oriented management. While innovating our communication system by upgrading the consumer satisfaction center with digital channels, we are enhancing the transparency and reliability of product information by implementing our own labeling and advertisement guidelines and conducting three-way reviews among relevant departments. In addition, we are reinforcing internal management capabilities to prevent greenwashing.	- Won 1st place in the Consumer Complaint Evaluation Award for 7 consecutive years - Held 9 Voice of the Consumers Meetings presided by the CEO and attended by executives and improved 88% of the agenda - Analyzed consumer trends and major issues through the publication of monthly Voice of the Consumer reports - Completed 1,139 reviews of labeling and advertisements through the integrated process of pre-checking new products - Operated labeling and advertising guidelines, conducted semi-annual monitoring of advertised products and provided training to relevant employees	81-83, 84-87	
Resource circulation and waste	Yuhan-Kimberly is pursuing a mid- to long-term goal of reducing waste emissions by 30% by 2030 compared to 2019. To achieve this goal, we classify and process waste based on the Waste Management Procedures of each business site, while monitoring the status of waste generation and disposal through the internal management system. In addition to the waste generated in the course of manufacturing, Yuhan-Kimberly is making efforts to realize a circular economy throughout the product life cycle—including raw materials, usage and disposal.	- Expanded reuse and recycling by each Plant through the operation of the Waste Management Procedures - Discussed how to utilize pulp separated from hard-to-recycle aseptic packs as a packing material through the Green Action Alliance - Recycled 333 tons of hand towels reduced 149.4 tCO₂eq of greenhouse gases (cumulative) through the hand towel recycling campaign - Upcycled waste generated after plant operation and product manufacturing/sales by collaborating with non-profit startups through open innovation - Reduced risks related to environmental accidents and complaints through regular evaluation of waste transport and disposal suppliers	43-45	 

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Double Materiality Assessment

● Environmental ● Social ● Governance/Economic sector

Material issues	Response strategy	Key activities and performance	Page	Relevant UN SDG targets
Sustainable products and technology	In line with its 2030 sustainable management initiative, Yuhan-Kimberly has set a goal of achieving 95% of sales from sustainable products and regularly reviews the progress by each division based on the internal environmental and social criteria. The 3R strategy—Reduce, Recycle and Replace—is applied during the product development phase, and we are accelerating innovations such as the development of sustainable materials through partnerships.	- Achieved 63% of sales from sustainable products in 2024 - Established Guidelines for Development of Sustainable Products and Packaging that take into account domestic resource circulation and policies to eliminate plastics - Conducted life cycle assessment (LCA) for major products and reduced carbon footprint - Completed establishment of an online platform for product LCA	9, 39-42	 
Greenhouse gases	Yuhan-Kimberly has set a goal of reducing greenhouse gas emissions by 25% by 2030 compared to 2015, and to achieve this goal, we are continuously monitoring emissions and energy consumption status at each plant. Emission reduction performance is managed through collaboration between the Corporate Affairs Center and the Manufacturing Function and is reviewed at the quarterly Environmental & Energy Working-Level meetings to drive energy efficiency improvements at our plants.	- Reduced GHG emissions by 14.2% compared to 2015 - Measured and managed GHG Scope 3 emissions - Reduced GHG emissions and relevant costs through logistics innovation program - Sold surplus emissions through GHG emissions trading system - Mandated that more than 30% of the annual CAPEX (Capital Expenditure) be allocated to environmental improvement	48-53	
Hazardous chemical management	Yuhan-Kimberly has a management system for both its plants and products to minimize risks associated with hazardous chemicals. At our plants, risks associated with handling chemicals are systematically controlled through procedures such as prior approval, risk assessments and the implementation of safety guidelines based on Material Safety Data Sheets (MSDS) from the receipt to the disposal of chemicals. On the stage of product development, we ensure safety through prior review and verification of new raw materials before using them, and proactively restrict the use of substances with safety concern by applying our internal standards.	- Reviewed chemical ingredients (K-REACH, RoHS, etc.) - Kept MSDS at business sites - Established our own raw material safety standards (17 items) that are stricter than legal requirements - Monitored substances of safety concern at least annually to reflect the latest domestic and international regulatory trends and consumer issues	47, 81-83	 
Sustainable growth strategy	Yuhan-Kimberly is enhancing its business competitiveness by turning its unique strengths into growth strategies. Product lines with competitive advantages are classified as core businesses and systematically managed, while new growth businesses are defined as future core businesses and strategically nurtured. In addition, we are creating opportunities for innovation through additional growth in strategically adjacent areas, productivity improvement, and the establishment of a competitive supply chain.	- Completed facility investments of KRW 45.5 billion to strengthen competitiveness in household goods and B2B businesses - New products accounted for 8.8% of total sales in 2024, with 18 new products launched from future core businesses - Expanded seasonal products for summer - Exported products to 24 countries in 2024 and recorded annual exports of KRW 120.1 billion 2.6 million cumulative members across its platforms (momQ, Daldabang, Today Plus) - Established a competitive supply chain through a logistics network design project	39-42, 58-65	 
Ethical and compliance management	Ethical and transparent management is a source of corporate competitiveness and a fundamental principle that must be observed throughout business operations. Yuhan-Kimberly practices ethical management based on codes of conduct, six core principles for ethical culture, anti-corruption policies, and fair trade policies. Our CEO publicly declares a commitment to ethical management every year, and major matters related to ethical and compliance management are regularly reported and reviewed by the Board of Directors.	- Zero sanctions for violations of the Monopoly Regulation and Fair Trade Act - Attended the Ethical Management CEO Forum for 21 consecutive years and made an external declaration - Operated the Internal Control Committee, the Ethical Management Committee and the ESG Governance Subcommittee, and regularly reported related issues to the BOD - Operated the fair trade Compliance Program - Provided code of conduct training and issued newsletters to combat unfair trade practices - Operated channels for reporting violation of code of conduct for each stakeholder	26-28	

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2006



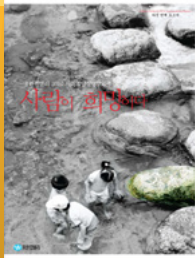
2007



2008



2009



2010



2011



2012



2013



2014



2015



2016



2017



2018



2019



2020

Special Project for 20th Edition

The past 20 years have been filled with concerns, mistakes and attempts, much like the journey of growing into adulthood. Our goal has been to pursue balanced growth across the economic, social, and environmental sectors, discuss directions for harmonious coexistence with our stakeholders and transparently disclose a variety of efforts for innovation. However, looking back over the past 20 years, we find ourselves reflecting on whether we have done enough to put these goals into practice. Reality is always challenging. Now, we would like to take a look back at what has happened to us throughout our journey.

Here, we reconstruct and reinterpret the experiences and changes we have accumulated over time—and share this journey of growth with you.



2021



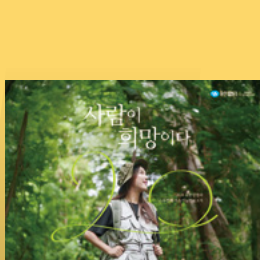
2022



2023



2024



2025



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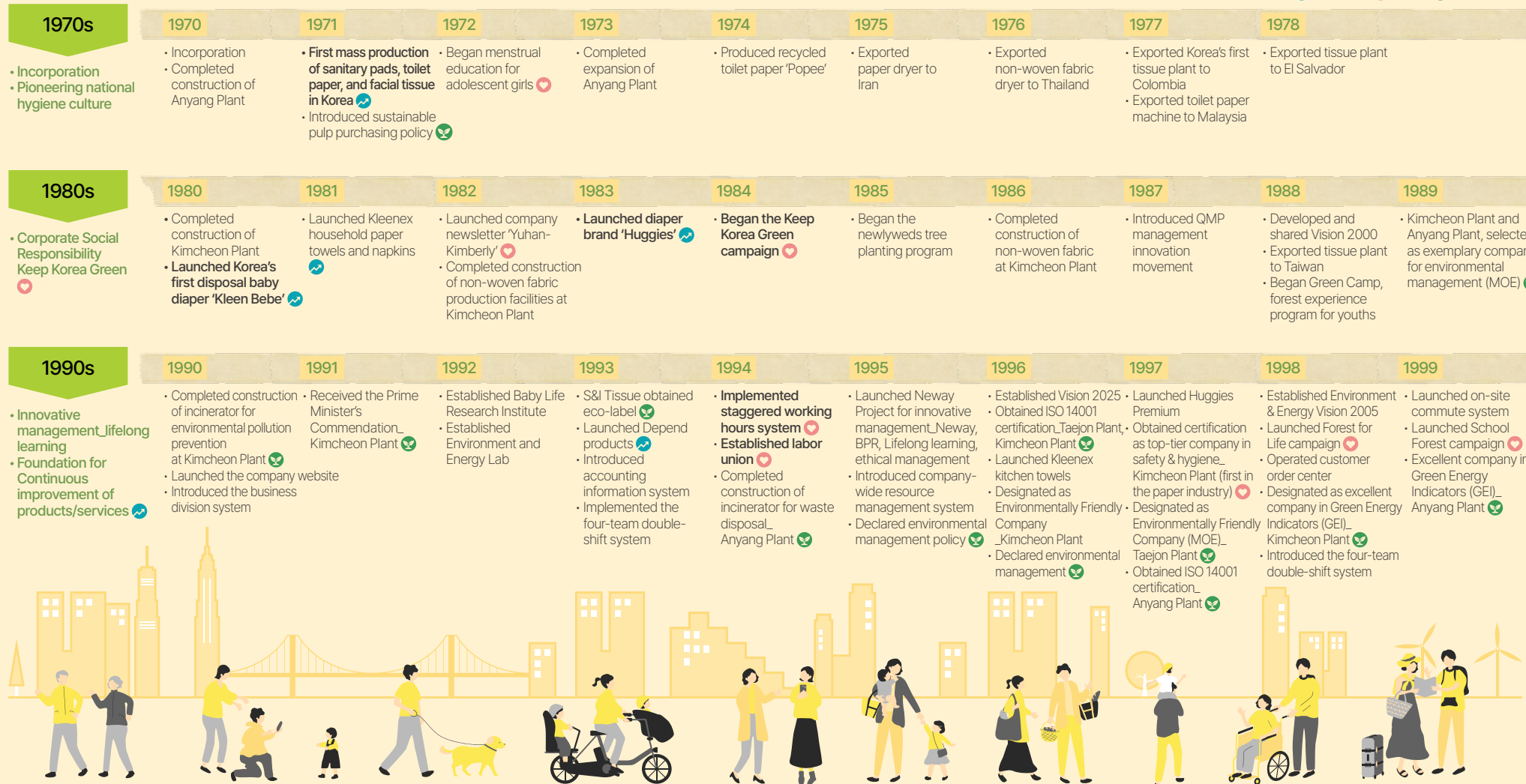
How has Yuhan-Kimberly practiced sustainable management?

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Over the past 55 years, the driving force for Yuhan-Kimberly to earn consistent recognition from its stakeholders has been its ongoing efforts to fulfill corporate social responsibility. We are committed to continuing our sustainable management activities as our core competitiveness in overcoming challenges such as prolonged economic downturns, intensifying competition, low birth rates, the transition to a super-aged society and increasing uncertainty. Yuhan-Kimberly will continue its journey of change and innovation without losing sight of its original intentions.

Sustainability Sector |  Economic  Social  Environmental



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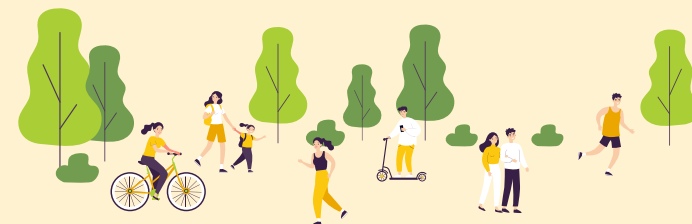
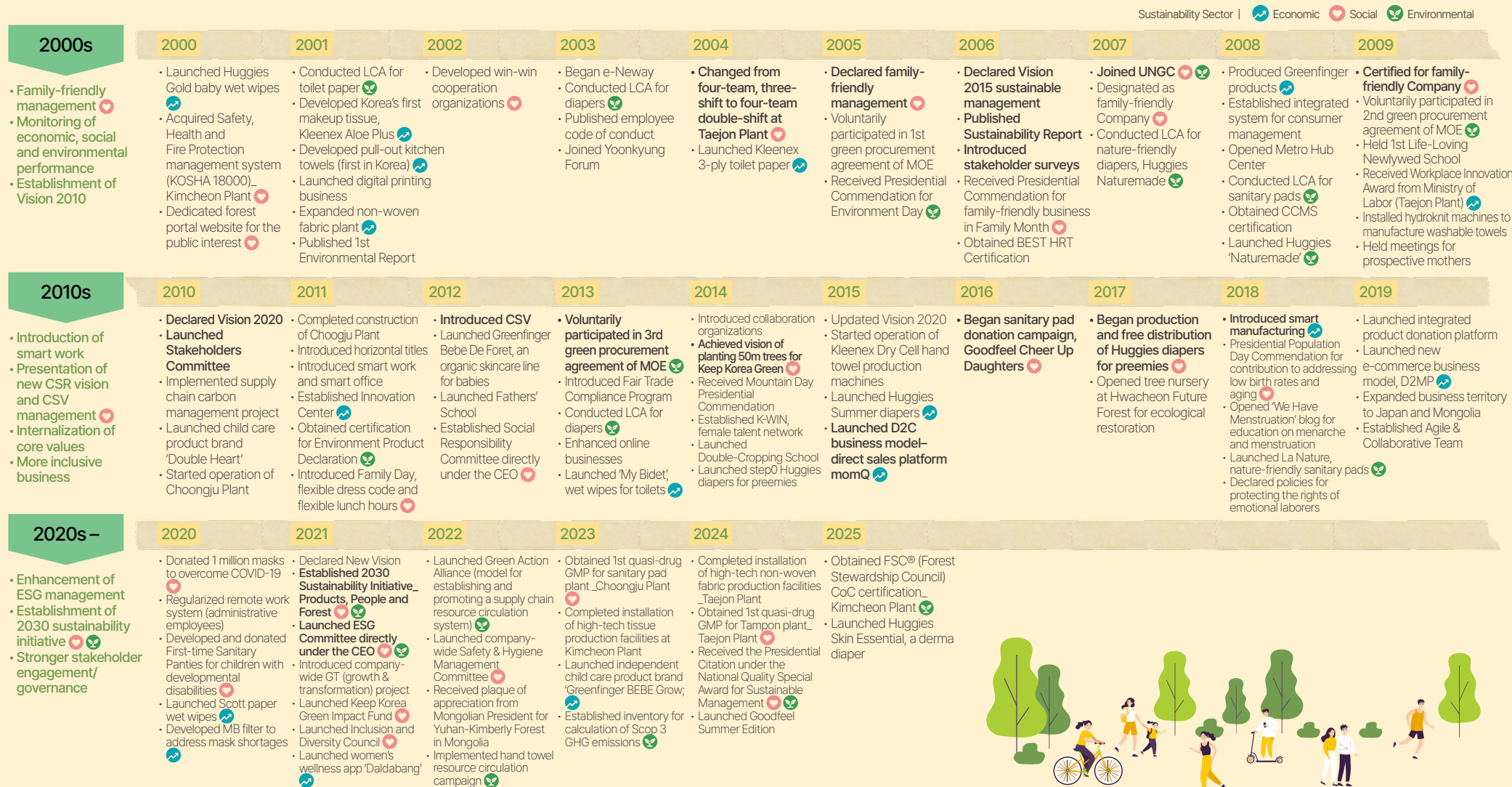
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How have stakeholder expectations changed?

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02

The process of sustainability reporting and disclosure has continuously served as a way to understand evolving stakeholder expectations. When Yuhan-Kimberly published its first report in 2006, it defined its shareholders, employees, partners, consumers and local communities* as its stakeholders who are either significantly affected by its business activities or capable of influencing the achievement of its management objectives. We introduced our first materiality assessment and stakeholder surveys in 2007, with the aim of disclosing information on topics that stakeholders consider important. Identifying the organization's actual impacts on economy, environment and society (including human rights), evaluating the significance of the impacts and determining the items to be reported as material topics are a key to providing stakeholders with information crucial to their decision-making. Over the past 20 years, the key topics reported have been an important barometer of stakeholder expectations, representing both opportunities and areas requiring internal management and preparation. While material issues have evolved over time, product-related issues—fundamental to business competitiveness—have been consistently selected as material topics. In recent years, we were able to confirm that expectations for the entire company are changing, such as environmental risks due to the climate crisis after COVID-19.

* Local communities comprehensively include governments, regulatory agencies, the media, academia, local residents and civic groups.

Top 10 Material Topics of Yuhan-Kimberly (2007-2025)

	Item	Frequency
1	Sustainable Products #environmentally-friendly products #reduction of products' impact on environment	16
2	Product Safety and Quality #product safety #product responsibility	13
3	Product Competitiveness #development of new products #investment in new products # development of new product technology	10
4	Consumer Hygiene and Health #consumer hygiene and safety	9
4	Ethical and Compliance Management	9
4	Family Friendly Management	9
7	Social Contribution	7
7	Response to Climate Change	7
7	Mutual Growth with Partners	7
10	New Businesses	6
10	Fair Trade with Partners	6

Consistent Material Topics

1 Sustainable Products

Spread of responsible consumption trends that consider environmental and social impacts along with proactive internal strategies to develop environmentally-friendly products.

2 Product Safety and Quality, Consumer Hygiene and Health

Due to the industry's focus on sanitary products that come into direct contact with the skin, there are strong requirements for strict product safety and hygiene standards.

3 Product Competitiveness

As trends shift rapidly and price competition is intense in the consumer goods market, technology innovation and quality enhancement are directly linked to survival.

4 Ethical & Compliance Management

Compliance with regulations and fulfillment of ethical responsibilities are key factors in building and maintaining consumer trust.

5 Family Friendly Management

It is important to strengthen the company's social responsibility and image, as it is closely linked to product portfolios that target women and infants as primary consumers.

Comparison of Double Materiality Assessment Impacts (Before vs After 2022)

Year

2007~2022

2023~2025

Method of
Materiality
Assessment

Materiality Assessment (Impact Materiality)

Double Materiality Assessment (Impact/Financial Materiality)

Details

1 Selection of Material Topics Pool

- Analysis of laws and regulations
- Benchmarking of industry peers
- Media research
- Analysis of internal policy and strategy
- Global sustainable management assessment and standards

2 Method of Selecting Material Topics

- Stakeholder surveys
- Impact materiality assessment for each issue



1 Selection of Material Topics Pool

- Analysis of laws and regulations
- Benchmarking of industry peers
- Media research
- Analysis of internal policy and strategy
- Global sustainable management assessment and standards

2 Method of Selecting Material Topics

- Stakeholder surveys
- Impact materiality assessment for each issue
- Financial materiality assessment for each issue
- ESG expert assessment
- Global sustainable management assessment and standards
- Reflection of frequency analysis for each issue

Major Changes and Implications

After further considering the financial impact and likelihood of each issue, the importance of environmental issues—such as 'packaging and plastics', 'resource circulation and waste', and 'greenhouse gas management'—has increased: As environmental risks such as climate change and resource depletion materialize in the form of fines for non-compliance with regulations and increased costs for mitigation, stakeholders recognize environmental issues as not only matters of ethical responsibility but also as core factors that influence business strategy and financial performance.

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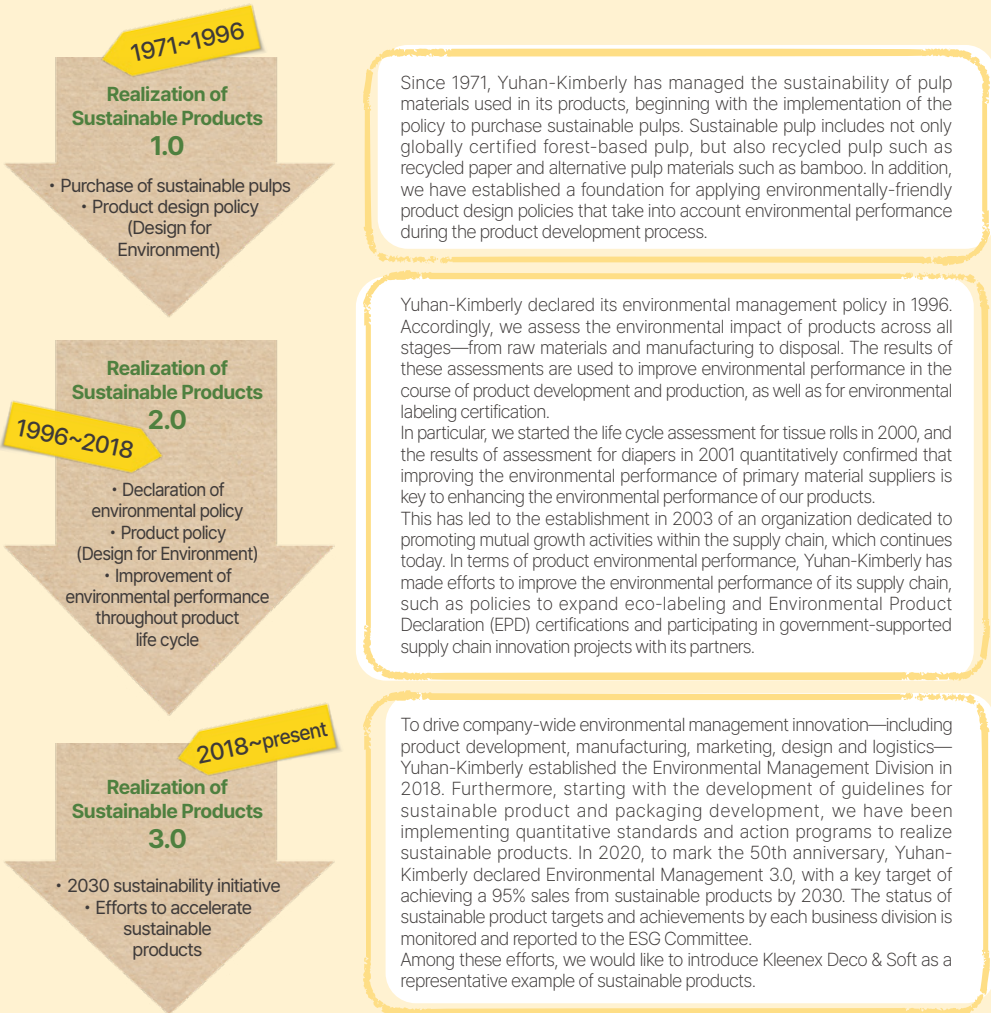
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What has changed in response to changing stakeholder expectations, and what are some examples of representative achievements?

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Yuhan-Kimberly's contributions to the advancement of public hygiene and health, as well as its continued sustainable growth, ultimately stem from the sustainability of its products and services based on product safety and quality. Our process of change to achieve product sustainability is as follows:



Case Study | Sustainability of Kleenex Deco & Soft Products



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Focus

What are the future expectations for sustainable products?

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To mark the 20th anniversary of our sustainability reporting, we gathered the opinions from 6,960 stakeholders to review the expectations surrounding sustainable products—which have most frequently emerged as material topics—while identifying areas that require greater focus and those where communication should be strengthened.

Sustainable products rated as most significant by stakeholders

→ Strong stakeholder recognition for products with improved social performance



No.1

Huggies, the only provider of ultrasmall diapers in Korea
for preemies



No.2

Goodfeel First-time Sanitary Panties
for sanitary pad attachment education for women with
developmental disabilities

2025 Yuhan-Kimberly Sustainable Product Awareness Survey

• **Purpose:** To collect stakeholder opinions on the awareness and perceived value of Yuhan-Kimberly's sustainable products.

• **Period:** April 1-12, 2025

• **Respondents:** 6,960



The results of the survey show that stakeholders view efforts to improve social performance as more meaningful and valuable than efforts focused solely on environmental improvements. Yuhan-Kimberly defines sustainable products as those that meet self-established environmental and social criteria compared to 2019, and the stakeholder feedback indicates that particular attention should be paid to social aspects. In light of the strong recognition and positive evaluation of products with enhanced social performance, we will actively communicate to ensure these products become more widely known and accessible to consumers in need. We will also make every effort to raise awareness and extend care for socially vulnerable groups, including preemies and people with disabilities.

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Focus

What are the future expectations for sustainable products?

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04

Activities that stakeholders believe require greater focus for environmental and social sustainability¹⁾

→ Strong stakeholder expectations for products with improved environmental performance

Ranking	Overall (all stakeholders)	Consumers	Employees	Partners	Local Community / NGO / Government	ESG Experts / Employees in Charge
No.1	Development and application of technologies to reduce carbon emissions throughout product life cycle	Development of products and packaging with reduced plastic use	Development of products and packaging with reduced plastic use	Development and application of technologies to reduce carbon emissions throughout product life cycle	Development and application of technologies to reduce carbon emissions throughout product life cycle	Development and application of technologies to reduce carbon emissions throughout product life cycle
No.2	Development of products and packaging with reduced plastic use	Development and application of technologies to reduce carbon emissions throughout product life cycle	Development and application of technologies to reduce carbon emissions throughout product life cycle	Development of products using naturally derived materials	Development of packaging with improved recyclability	Development of products for socially disadvantaged groups (e.g., people with disabilities, etc.)
No.3	Development of products using naturally derived materials	Development of products using naturally derived materials	Development of packaging with improved recyclability	Development of packaging with improved recyclability	Development of products and packaging with reduced plastic use	Development of products and packaging with reduced plastic use

1) Other responses included: 'Establishment of a resource circulation system to recycle used products as raw materials' and 'Development of products for economically disadvantaged groups'



According to our stakeholders, the activity that Yuhan-Kimberly should focus on the most for enhancing environmental and social sustainability is the improvement of the environmental performance of products. Although rankings varied to certain extent by stakeholder group regarding specific activity areas, it seems that efforts to improve environmental performance of our product consistently emerged as the top priority. The activity that ranked first in the overall survey, i.e., 'efforts to reduce carbon emissions throughout the product life cycle', recorded high rankings across all stakeholder groups. 'Reduction of plastic use (Reduce)' and 'application of naturally derived materials (Replace)', which correspond to Yuhan-Kimberly's 3R (Reduce, Recycle, Replace) standards to select sustainable and environmentally improved products, were also highly rated as critical activities that require further efforts. We will continue to use stakeholder expectations and social trends as benchmarks, faithfully fulfilling the essential role of household and personal care goods based on quality and driving company-wide innovation to further enhance environmental and social sustainability at the same time.

2025 Yuhan-Kimberly Sustainable Product Awareness Survey

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• Period: April 1-12, 2025

• Respondents: 6,960

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Governance

Governance Features

Yuhan-Kimberly operates transparently based on a stable corporate governance structure to ensure sustainability and protect the rights and interests of various stakeholders. Yuhan-Kimberly is a joint venture established on March 30, 1970 by Kimberly-Clark and Yuhan Corporation, with each company holding 70% and 30% of the shares respectively. We have a total of 40 million issued and outstanding shares and a capital of KRW 200 billion. Yuhan-Kimberly is managed under the professional management system, where the CEO, delegated by the Board of Directors, has overall responsibility for its management and sustainability agendas related to environmental, economic, and social issues are reviewed by the Stakeholders Committee and the ESG Committee.

Board of Directors

Composition

As the highest decision-making body, the Board of Directors pursues balanced growth and corporate value maximization based on a broad understanding of stakeholders, including shareholders, employees, consumers, and communities. Our Board of Directors is an eight-member group of experts comprised of three domestic and overseas CEOs, three financial experts, a global legal expert, and an auditor. Director candidates are selected with consideration of factors such as expertise and national diversity, based on recommendations from the major shareholders, Kimberly-Clark and Yuhan Corporation, and are appointed through the general shareholders’ meeting.

Operation of the Board of Directors

Yuhan-Kimberly operates its Board of Directors in accordance with the Bylaws of the Board of Directors and holds at least two Board meetings per year. The chairperson of the Board presides over the Board meetings and is responsible for convening the Board meetings, ensuring a quorum at the meeting, and conducting the meeting. If the chairperson of the Board is unable to attend a Board meeting, another director presides over the meeting in the order determined by the Board. In 2024, the BOD held four meetings, deliberating on and resolving 19 agenda items, including the appointment of the Chairperson of the Board, review of the 2024 Business Plan, and the report of 2024 key ESG performance.

Evaluation and Compensation

Yuhan-Kimberly sets an annual remuneration cap for directors and auditors, comprising a base salary and a performance bonus, which is reviewed by the Board and approved by the general meeting of shareholders. The base salary and performance bonus reflect the results of financial performance and non-financial performance including sustainable management.

Yuhan-Kimberly Directors and Auditors

(As of April 2025)						
Classification	Name	Gender	Job Title	Specialty	Nationality	Date of (re)appointment
Standing Director	JayHoon Lee	Male	Representative Director and President, Yuhan-Kimberly	Management	Korea	March 26, 2025
Standing Director / Chairman of BOD	Grant Blecha McGee	Male	Representative Director, Yuhan-Kimberly Kimberly-Clark Senior Vice President General Counsel	Legal	US	
Non-Executive, Non-Outside Director	WookJe Cho	Male	President and CEO, Yuhan Corporation	Management	Korea	
Non-Executive, Non-Outside Director	JaeYong Kim	Male	Managing Director (Planning and Financing Department), Yuhan Corporation	Finance & Accounting	Korea	
Non-Executive, Non-Outside Directors	Katy Chen(Yi Chen)	Female	President, Kimberly-Clark International Personal Care	Management	China	
Non-Executive, Non-Outside Director	Fernando Carlos Laghi	Male	Vice President & CFO, Kimberly-Clark International Personal Care	Finance & Accounting	Argentina	
Non-Executive, Non-Outside Director	Flavio Campello Costa	Male	Kimberly-Clark Vice President & Treasurer	Finance & Accounting	US	
Statutory Auditor	JongHo Lee	Male	Auditor, Yuhan-Kimberly (certified public accountant)	Finance & Accounting	Korea	March 13, 2025

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Ethical and Transparent Management

Ethical Management Policy and Principles of Practice

Ethical management and compliance management is the foundation of a company's competitiveness and sustainability. Yuhan-Kimberly supports employees in making the right decisions and fostering an honest and transparent corporate culture by using our Code of Conduct as a guideline. The Code of Conduct outlines the ethical standards and practical guidelines that must be observed in areas such as employees, corporate finance, consumers and plants, the environment and safety, and the community, and is applicable to all employees and the Board of Directors.

Additionally, to promote an ethical culture, Yuhan-Kimberly has established the Six Pillars of Ethical Culture based on the Code of Conduct. We disclose the Code of Conduct, along with anti-corruption and fair trade policies, through the corporate intranet, our internal communication channel. Yuhan-Kimberly is fostering a culture of ethical management that fulfills social responsibility based on transparency and fairness.

Key Items of the Code of Conduct

Our People

- Valuing diversity and inclusion
- Conflict of interest management
- External communication

Our Financial Integrity

- Maintaining strong internal control
- Careful choice of business partners
- Ethical trading of securities
- Data protection

Our Consumers and Business Sites

- Fair competition
- Interaction with government officials
- Prevention of corruption and bribery
- Principles for giving or receiving gratuities
- Global business principles
- Responsible marketing and advertising

Our Environment, Safety and Community

- Committing to Sustainability
- Ensuring workplace safety
- Provision of quality products
- Supplier engagement

Yuhan-Kimberly's Six Pillars of Ethical Culture

01

Encouraging open dialogue

02

Ensuring no retaliation

03

Preventing conflicts of interest

04

Safeguarding company confidentiality

05

Upholding mutual respect

06

Prioritizing safety as a fundamental value

Ethics Compliance Organization

Recognizing the importance of ethical management, Yuhan-Kimberly operates the Legal & Compliance Division, an organization which is dedicated to practicing ethical management and directly report to the CEO. The Legal & Compliance Division is composed of experts in law and compliance, and its lawyers closely review relevant legal issues with related departments, including the Internal Control Workgroup. The Internal Control Workgroup is an organization for preventing corruption and operates the Compliance and Controls Steering Committee (CCSC) and the Ethical Management Committee.

Compliance and Controls Steering Committee

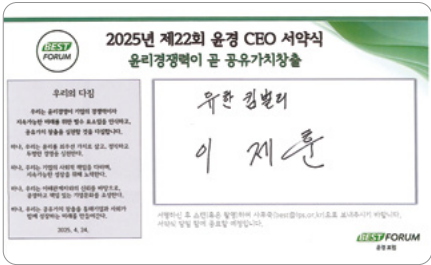
The Internal Control Workgroup holds the CCSC meeting semi-annually to enhance voluntary internal control compliance by all employees. The committee shares Compliance Focused Initiatives (CFIs) of Yuhan-Kimberly's shareholder, Kimberly-Clark, new policies and guidelines, and internal and external audit results. It also discusses potential collaboration-related issues to proactively assess matters that could impact our internal controls. This helps us avoid legal sanctions, financial losses, and loss of stakeholder trust and brand value due to internal control failures.

Ethical Management Committee

The Ethical Management Committee meets quarterly under the supervision of the Legal & Compliance Division and the Internal Control Workgroup. At this committee, Yuhan-Kimberly and Kimberly-Clark shares and discusses internal control, and ethics and compliance issues. The committee includes key executives of Yuhan-Kimberly (CEO, CFO, auditor, Manufacturing, EX, Legal), Kimberly-Clark's auditor and the Compliance Manager.

Declaration of CEO's Commitment to Embedding Ethical Management

We are committed to establishing an ethical corporate culture centered on the leadership of the top management, with the belief that an ethical management system can only be strengthened when the CEO and other executives lead by example. As a member of the Yoonkyung ESG Forum, Yuhan-Kimberly has participated in the ethical management pledge every year since 2004, declaring that it will continue its efforts to practice ethical management and spread ethical management to society. Attending the 22nd 'Best ESG Forum CEO Pledge Ceremony' held in 2025, our CEO pledged to contribute to enhancing corporate sustainability and creating social value through ethical management under the theme of "Ethical Competitiveness Creates Shared Value."



CEO attending the '22nd Best ESG Forum CEO Pledge Ceremony'

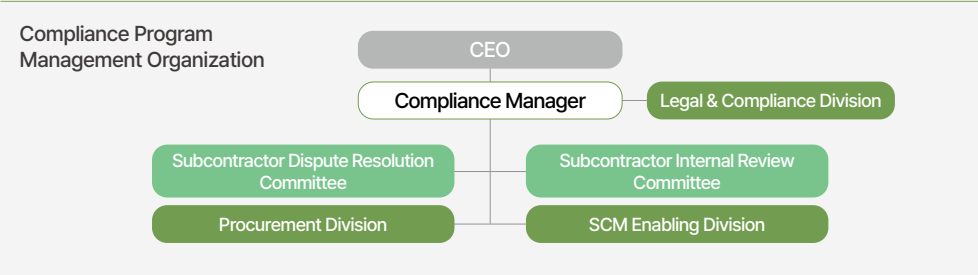
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Ethical and Transparent Management

Compliance Program

In January 2012, Yuhan-Kimberly introduced the Compliance Program (CP) to promote internal compliance with laws and regulations and a fair trade culture, and to continuously realize the company's core value of fair mutual growth. The Compliance Program is operated more responsibly through the designation of the Compliance Manager who directly reports to the CEO and a dedicated department. The Compliance Manager is appointed from among senior executives who are familiar with fair trade laws and the company's policies and procedures, and oversees the organization and tasks to comply with fair trade-related laws and establish and implement the Compliance Program. In 2024, we received no sanctions for violation of the Fair Trade Act.



Compliance Program Operation Process



Ethics & Compliance Training

In order to prevent ethics & compliance risks in advance, Yuhan-Kimberly continuously provides training on ethics, fair trade, the Code of Conduct, and anti-corruption policies. In 2024, all office employees received training on the Code of Conduct and conflict of interest prevention, and departments with high relevance received additional training on such laws and regulations as the Fair Trade Act and the Fair Transactions in Subcontracting Act. In addition, we publish a newsletter for all employees focused on eradicating unfair trade practices as part of the anti-corruption policy of the Code of Conduct. In 2024, we issued two newsletters on false documents and conditional transactions.

Ethics & Compliance Training in 2024

Target	Training Program	Number of Attendees	Attendance Rate
Office Employees	Code of Conduct, Conflict of Interest Prevention	664	100%
New Leaders	Compliance, Kimberly-Clark Policies and Fair Trade Act	8	100%
New Employees	Code of Conduct	13	100%
SCM Function	Fair Trade Act, Subcontracting Act	62	84%
Employees in charge of HRBP and Temporary Agency Workers	Training on Temporary Agency Workers	11	100%

Generative AI: Using It Well Is a Competitive Advantage

With the rapid development and expanding application of generative AI (GenAI), there is a growing need for ethical principles and guidelines to ensure its responsible use. As concerns over potential misuse are rising alongside the technology's potential, Yuhan-Kimberly proposes the following ethical principles and guidelines to help employees use GenAI appropriately.

It is emphasized that employees must thoroughly examine all content generated by GenAI before use, and must not use personal data or sensitive personal data. In addition, the use of GenAI for analyzing competitors is strictly prohibited. Furthermore, employees must limit the use of GenAI to their scope of work and follow the company's standard approval procedures when using a new GenAI solution.

Five Ethical Principles for the Use of GenAI

- 1. Beneficial Use of Data:** Data should be used in ways that benefit all stakeholders, including consumers, customers, employees, and the company.
- 2. Transparent Algorithms:** Only necessary data for approved purposes should be collected, and they should be used in the methods that are traceable and understandable.
- 3. Fair and Lawful Outcomes:** Employees should respect individuals and avoid causing harm—such as bias, discrimination or social inequality. Employees should be aware of the risks of new technologies and take moral responsibility for outcomes.
- 4. Human Oversight:** AI systems, models and outcomes should be supervised by humans, and employees should take caution when using sensitive personal data or when generating results.
- 5. Safety, Security, and Validation:** AI systems should be developed and tested with safety and security in mind, and properly validated. All relevant laws, including intellectual property rights, should be complied with.

Guidelines for the Use of GenAI

1. The user must review all content generated by GenAI personally before use.
2. If the content generated by GenAI requires additional review procedures, these procedures must be followed in the same way as with non-GenAI-generated content (e.g., legal, HR, etc.).
3. The use of GenAI for analyzing competitor information is strictly prohibited.
4. The use of GenAI is limited to the user's scope of work.
5. Personal information of minors must not be used in GenAI.
6. Sensitive personal information must not be used in GenAI.
7. The use of new GenAI solutions must undergo the company's standard approval procedures.
8. External GenAI tools must be used under contracts that meet the company's standard requirements. If the standard conditions are not met, the Legal Team and the Procurement Team must be involved.
9. Materials submitted to regulatory authorities must not be generated using GenAI without legal review.
10. Personal information of foreign nationals must not be used without review by local legal counsel.

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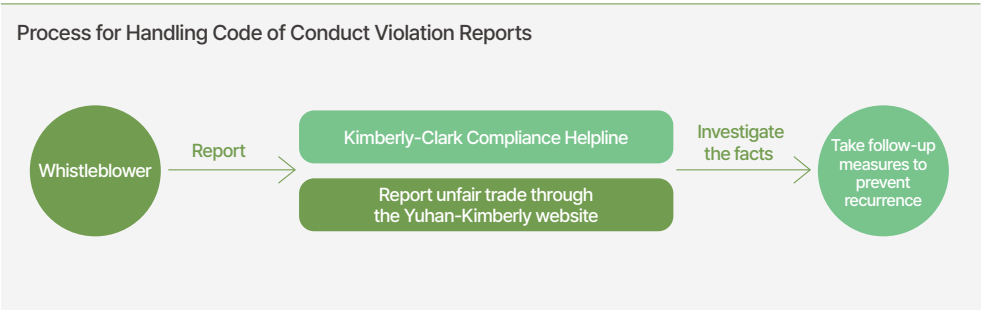
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Ethical and Transparent Management

Spreading Ethical Culture through Channels for Reporting Violations of the Code of Conduct

Channels for Reporting Violations of the Code of Conduct

Yuhan-Kimberly operates a hotline and an unfair trade reporting channel 24/7 to allow reporting of any Code of Conduct violations. Employees can report violations of the Code of Conduct through the hotline (contact number 00798-1-1-008-3594), and suppliers can receive reports related to unfair trade practices through the unfair trade reporting channel. These channels cover not only violations of the Code of Conduct but also grievances, reports, questions and concerns. In particular, the hotline is designed to allow anyone to report safely and anonymously through an external third-party channel. After receiving a report, we investigate the facts and if a violation is confirmed, we take follow-up measures to prevent recurrence. In 2024, Yuhan-Kimberly took disciplinary action in three cases of Code of Conduct violations.



Protecting Whistleblowers

We protect whistleblowers who report Code of Conduct violations in accordance with the three Tenets of the Non-Retaliation Policy. As one of the Six Pillars of Ethical Culture, the Non-Retaliation Policy ensures that employees are free to express their opinions and are protected from retaliation. We use this as a foundation to encourage problem-solving and promote the right ethical culture throughout the organization.

Three Tenets of the Non-Retaliation Policy	
1	We will objectively evaluate the concerns presented candidly and take the necessary corrective measures.
2	We will protect employees who raise concerns from retaliation.
3	In the event of reported retaliatory behavior, we will undertake a comprehensive investigation and, if necessary, implement corrective measures that can extend to termination.

Practicing Transparent Management through Open Communication

Open communication is a two-way communication that freely shares and accepts various opinions within and outside the organization. It lays the foundation for transparent management by enhancing stakeholder trust and making the company's decision-making process transparent. Yuhan-Kimberly actively communicates with employees through open management meetings, management briefings, and site visit programs to practice transparent management.

Open Management Meetings

The Open Management Meeting is an executive meeting in which leaders of each business function participate to share the status of management and the strategic direction of each division, and has been open to all employees since 2013. As part of our company-wide ethical and transparent management practices, the meetings are held alternately at the headquarters and at each plant site, and are also broadcast online to encourage active participation from all plants, including the headquarters. As a result, an average of 300 employees attends each meeting. In the 'Discussion with Employees' session, executives in charge directly answer questions from employees collected anonymously, demonstrating transparent management based on open communication.



Open Management Meeting

Details of Open Management Meetings and Management Briefings in 2024

(Unit: Person)

Classification	January	February	March	April	May	June	July	August	September	October	November	December
	Open management meeting				Open management meeting		Management Briefing	Open management meeting				Management Briefing
Offline	56	45	36		46		56	45	65	39		55
Online	269	279	266		285	Executive Workshop	304	247	273	289		329
Total	325	324	302		331		360	292	338	328		384

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Risk Management

Risk Management System and Implementation Policy

Risk Management System

Yuhan-Kimberly operates an integrated risk management system that covers the entire processes from prevention of risk situations to response and recovery after a risk occurs. It consists of two phases, ‘Risk Prevention’ and ‘Risk Management’, each systematically strengthening the company’s risk response capabilities through dedicated organizations and specific action protocols. In the risk prevention phase, the Risk Prevention Committee takes the lead in monitoring social expectations and product issues, proactively managing risks by incorporating these insights into strategies and policies. In the event of a risk, the Risk Management Team take systematic measures to restore reputation and prevent recurrence, focused on response and recovery. On this basis, we continue to strengthen our organizational stability and trust.

Risk Management System

Phase	Responsible Organization	Roles	Activities
Risk Prevention	Risk Management Committee	Development of strategy and policy	• Operate risk management policy/manual • Operate the external communication policy • Organize and structure the risk management team • Establish reputation management and recovery strategies • Standardize risk management procedures
		Monitoring and reflection of product issues and social expectations	• Conduct public perception surveys • Operate the issue database • Predict and proactively response to potential issues • Operate an Social media early warning system
		Company-wide enhancement of capacity to respond to risk	• Plan and implement risk management training • Diagnose internal and external potential risks • Identify focus areas • Operate TFTs to manage negative issues • Conduct risk prevention activities
Risk Management	Risk Management Team	Risk management and reputation recovery	• Develop a company statement and response strategies • Respond to stakeholders, including media, organizations, etc. • Build social networks • Provide functional strategy guides • Report on the end of risk management (measures to prevent recurrence)

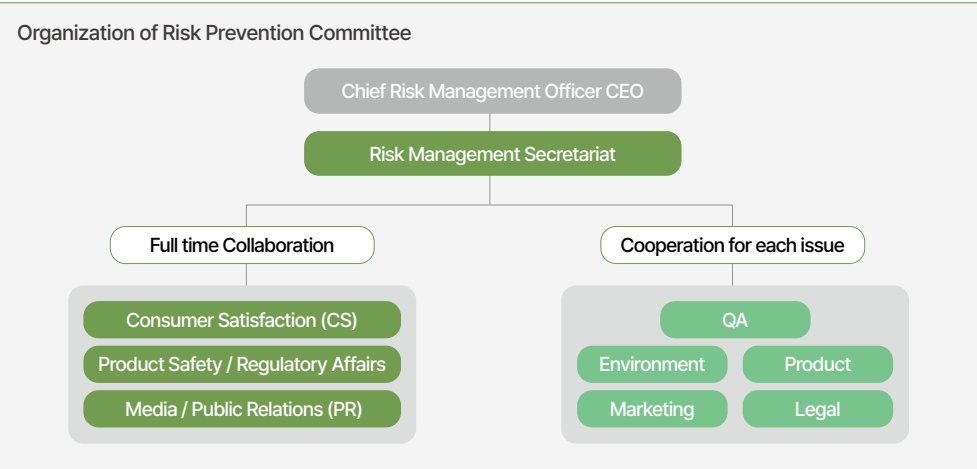
Risk Management Manual

Yuhan-Kimberly operates a risk management manual to systematically manage matters that may have a significant impact on the company’s business activities. The Risk Management Manual specifies the scope of responsibilities of the risk management officers, prioritization of risk management prevention activities, assessment of potential risks, procedures to respond to risk situations, internal and external communication policies, and the composition, roles and responsibilities of the risk management team, and is revised annually with the approval of the Chief Risk Management Officer, the CEO. The 2025 revision reflects changes in the leadership of the Risk Prevention Committee, adjustments to the core teams’ risk management officers due to organizational changes, and the results of the company-wide potential risk assessment.

Organization for Risk Management

Risk Prevention Committee

Yuhan-Kimberly operates the Risk Prevention Committee to proactively respond to social expectations and potential issues related to products and enhance consumer trust. The Risk Prevention Committee is a standing collaborative organization comprised of in-house experts in the areas of consumer satisfaction, product safety/ regulatory affairs, and media/public relations, with additional participation from related departments such as quality, legal, and environment depending on the issue. Examples of major collaborations in 2024 include the operation and in-house training of the Shrinkflation TFT, consultation on the operation of Braille-packaged tampons, and response to global safety regulatory policies. The Risk Prevention Committee plans and implements annual risk management training to minimize potential risks from new businesses and changes, and reflects the results of potential risk assessments in risk prevention activities.



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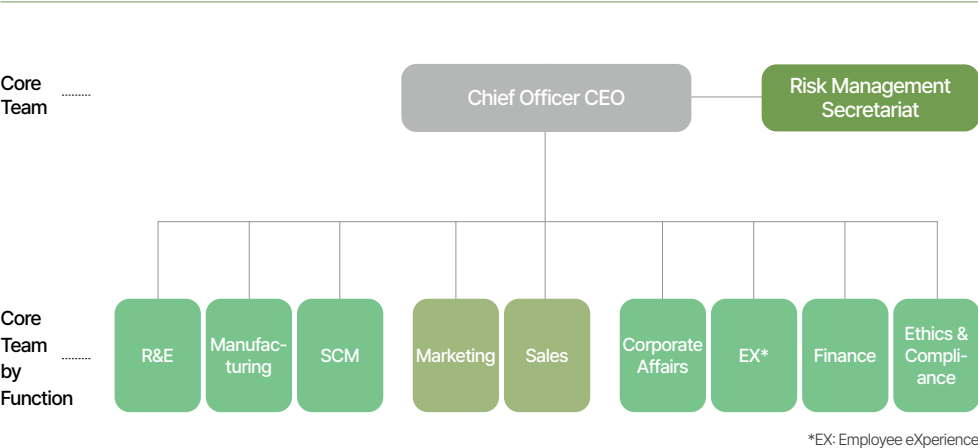
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Risk Management

Risk Management Team

Yuhan-Kimberly establishes a risk management team for each issue and performs risk prevention activities on an ongoing basis. The Risk Management Team is headed by the CEO and composed of the Risk Management Secretariat and core teams by function. In the event of a crisis, the CEO appoints core team leaders by function and prioritizes strategic responses. Roles and responsibilities are assigned to members of the Risk Management Team and external experts accordingly to ensure a prompt response. The Risk Management Secretariat, comprised of a spokesperson, the Communication Team Leader, and the Risk Management Coordinator, is responsible for leading and advising on the operation of the risk management system and company-wide risk response. Core teams by function maintain the risk management system for their respective functions and respond directly to issues as they arise.

Structure of Risk Management Team

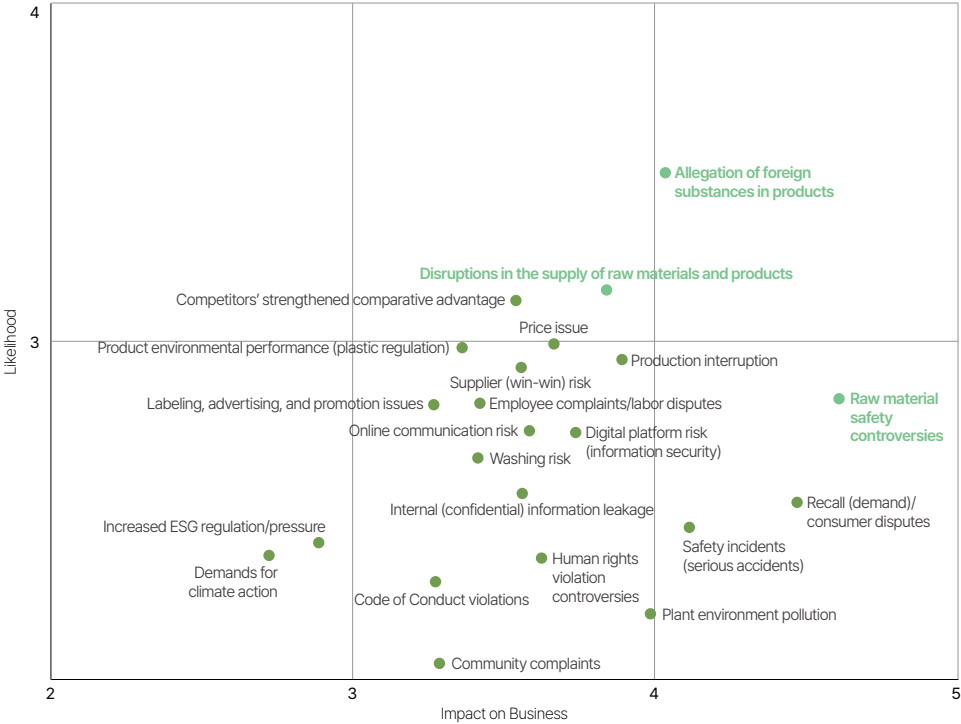


Risk Management Efforts

Potential Risk Assessment

Yuhan-Kimberly conducts an annual assessment for all leaders to evaluate the impact and likelihood of potential financial and non-financial risks in the four areas of products, processes, people, and stakeholders. The results of the assessment are reflected in the risk management manual and risk management training and shared with the entire organization. In 2025, we identified 22 risk types (excluding 'damage to corporate reputation') and conducted potential risk assessment. The top three potential risks in 2025 were identified as 'allegation of foreign substances in products', 'raw material safety controversies', and 'disruptions in the supply of raw materials and products'. In particular, 'disruptions in the supply of raw materials and products' was included in the top potential risks for the second time since the COVID-19 pandemic due to increased attention to supply chain stability. For each of the top three issues, we have a checklist that outlines considerations and responsibilities across the three phases of preparation, response, and recovery.

2025 Yuhan-Kimberly Risk Map



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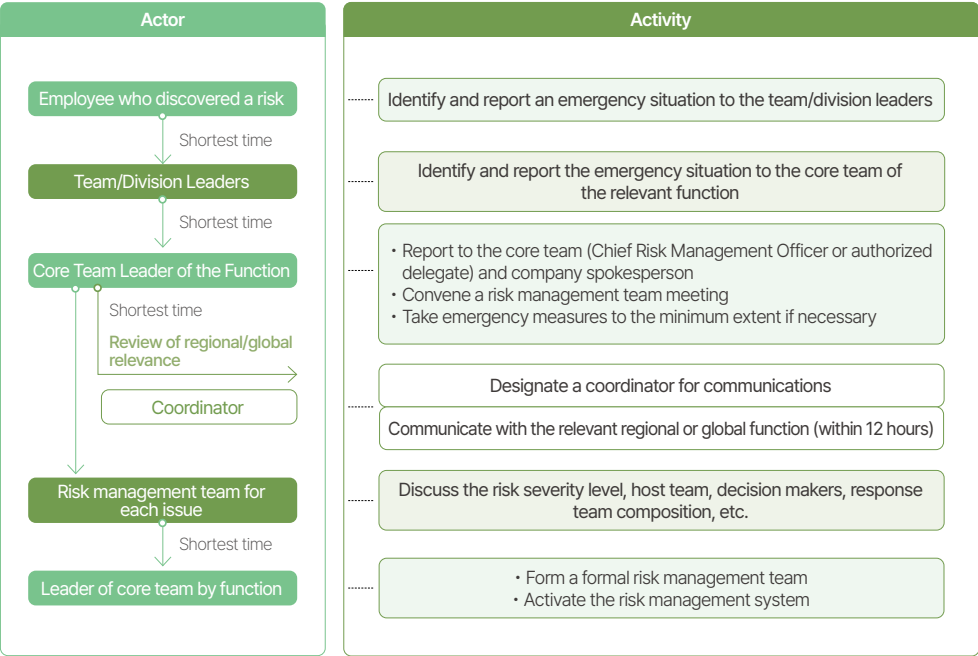
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Risk Management

Risk Response Procedures

Yuhan-Kimberly operates risk response procedures to enable agile information sharing and rapid response in the event of a crisis. After the initial identification of a crisis, the situation is reported from the team or division leader to the core team leader of the function. The core team leader then shares the situation with the spokesperson and convenes a risk management team meeting. Centering on the issue-specific risk management team, the response direction is determined according to the severity of the risk. Then, the formal risk management team is established to fully activate the response system.

Risk Response Procedures



Risk Management Training

Yuhan-Kimberly conducts risk management training every year to ensure that all employees have and internalize risk management competencies. In 2024, we provided customized risk management training for three groups. Virtual simulations and coaching were provided to new function leaders and division leaders, and SCM Insight sessions for supply chain risk prevention were held for the SCM Innovation Function. In addition, a Marketing Risk Management 101 session was held for marketing staff.

Risk Management Training in 2024

Target	Topic	Number of Attendees
SCM Function Leader and Division Leaders	- The importance of supply chain ESG management - Supply chain issue case study	6
Marketing Leader and Staff	- Industry issue trends - Risk management knowledge for marketers - Key principles of risk prevention - Key points for marketers to remember	84
New Function Leaders and Division Leaders	- Industry issue trends - Analysis of major cases of issue management - Simulations of hypothetical risk scenarios - Situational communication principles	8

Non-financial Risk Management

At Yuhan-Kimberly, the ESG Committee systematically manages major sustainability-related risks and opportunities. The ESG Committee is responsible for setting sustainability-related goals and managing progress, diagnosing climate risks and reviewing countermeasures, and responding to the results of double materiality assessments. The ESG Committee also regularly reports ESG diagnosis results and risk factors arising therefrom to the BOD for decision-making.

ESG Committee's management and oversight of sustainability risks/opportunities



- Setting sustainability-related goals and progress
- Diagnosis of climate risks and review and approval of countermeasures
- ESG self-assessment results and risk reduction plans
- Results of double materiality assessments and responses to them, including the method, frequency, and scope of information disclosure
- Review of conflicting sustainability-related risks and opportunities
- Review of sustainability impacts on the business and value chain and examination of strategies and decision-making
- Development of strategies to mitigate risks associated with non-financial information disclosure
- Review of current and expected future financial impacts and financial plans
- UNGC Communication of Progress (COP) key findings and approval
- Other matters requiring ESG Committee reporting or approval

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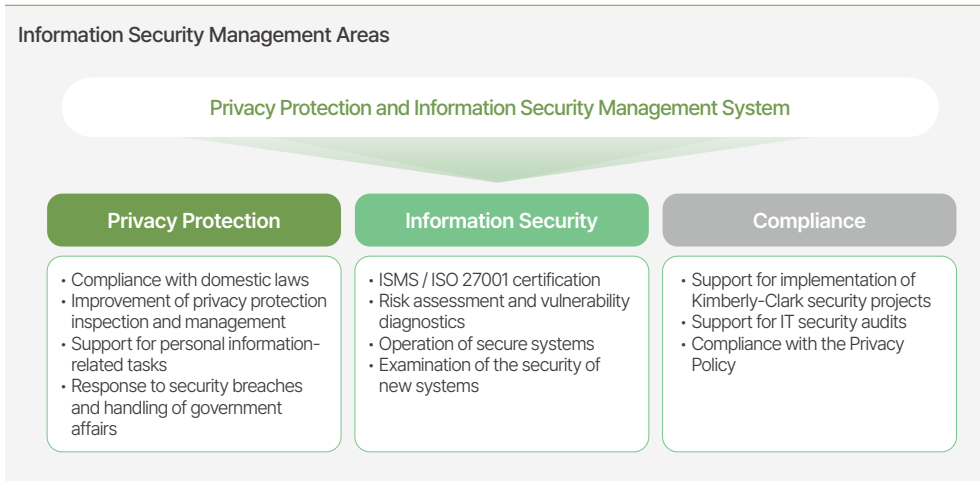
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Information Security

Privacy Protection and Information Security Management System

With the digitalization of the work environment, the increasing sophistication of cyber threats, and the strengthening of personal information protection regulations, the importance of institutional and technological management of information security is growing. Yuhan-Kimberly has established the Privacy Policy to establish clear standards that employees and information security officers must follow and systematically manage information in three areas: privacy protection, information security, and compliance. Furthermore, we raise awareness of information security and personal data protection through regular training and education programs. In order to proactively manage information security risks associated with the use of AI technologies, we have launched the "AI/Digital Governance Portal" to help ensure compliance with the principles for the use of GenAI. In addition to such internal controls, we also thoroughly manage external information security risks by conducting regular security inspections of personal information processing contractors.



Privacy Protection and Information Security Policy

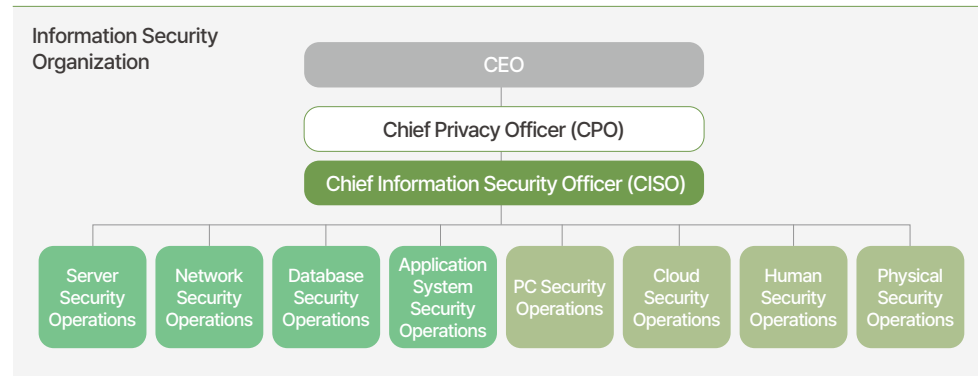
Yuhan-Kimberly has established the privacy policy that contain regulations and procedures for employees and information security officers to comply with, and regularly review and amend the privacy policy to reflect the latest laws and the security requirements of the Information Security Management System (ISMS) certification. In addition, we transparently disclose our privacy policy on the collection, use, retention and provision of personal information of online service users, and reflect relevant legal amendments and service updates.



Organization for Privacy Protection and Information Security

Yuhan-Kimberly has established an information security organization led by the CEO and composed of the Chief Privacy Officer (CPO), Chief Information Security Officer (CISO), Information Security Officers, and Security Operation Officers in charge of each field. In particular, in 2024, we established a dedicated information security organization, the Information Security Office, to minimize and effectively manage information security risks. Through the organization charter, we announced our goal to realize our vision and value by protecting our business, information assets, and consumer information from cyber threats, and our strategy for doing so. We strengthened our information security expertise by conducting qualification assessments for the CISO, Information Security Officers, Security Operations Officers, and Information Security Auditors, who are responsible for information security.

In addition, we have established the Information Security Committee which reviews and makes decisions on allocation of information security resources, major information security issues, ISMS risk assessment, and establishment of protection measures. The committee is chaired by the CPO, with leaders of relevant departments participating, and hold a meeting once a year, but can also hold meetings when necessary. In addition, the information security organization has established a cooperation system with related councils to respond immediately when issues arise.



Information Security Organization Charter

Goal

We protect our business, information assets, and consumer information from cyber threats, and in doing so, realize our vision and value.

Strategy

To achieve our organizational goal, we

- minimize information security risks by performing effective risk management,
- Establish an information security policy and enforce its compliance by all employees,
- Provide information security education and training to employees to raise information security awareness,
- Strengthen the organization's security system through continuous monitoring and improvement, and
- Conduct preparedness drills for agile response in the event of an incident.

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Information Security

Personal Information Protection Activities

Security Inspections of Data Processors

We utilize a checklist made based on ISMS control items and the privacy guide to inspect security compliance of our data processors. We recommend remedial measures for any non-compliance identified during the inspections and conduct follow-up checks to ensure implementation. In 2024, we conducted cybersecurity inspections on 24 out of 31 data processors, excluding those that had obtained ISMS and ISMS-P certifications and subcontractors, and confirmed that all four recommendations made during the inspections have been implemented. As a result of these efforts, we have maintained a high level of security compliance of 91.4% according to the evaluation of the data processor security inspection.

Incident Response Training

In preparation for occurrence of an actual security breach incident, Yuhan-Kimberly conducts annual simulation drills to test incident response procedures. Disaster recovery drills for momQ, Integrated Member Service SSO, and Depend Mall are conducted jointly with suppliers in accordance with the security breach incident response procedures. In 2024, we conducted a virtual scenario-based drill on a denial-of-service attack (DDoS) to familiarize responsible employees with their roles, responsibilities and work procedures in the event of a crisis. Through the incident response scenario, we strengthen our response capabilities by testing and improving the prompt operation of emergency contact system, accuracy of situation reporting processes, and the smooth execution of system recovery procedures.



Activities for Information Security

Information Security Management System Certification

Yuhan-Kimberly has acquired and maintained the information security management system (ISMS) certification for major systems and services since 2018, and has also acquired the international standard information security management system (ISO 27001) certification since 2021, strengthening the security system to meet global standards. By continuously maintaining the certifications through regular follow-up audits, we externally demonstrate the security and stability of our information security and privacy protection system and the excellence of our management system. In addition, we evaluate the performance and effectiveness of the information security management system annually by setting as key measurement indicators the status of acquiring and maintaining information security certifications, whether critical defects were discovered in internal audits, and whether critical security incidents occurred.

Certification of Information Security Management System

Certification	Issued by	Details	
International Standard Information Security Management System (ISO 27001)	ISO/IEC	•Scope: momQ, SSO online service and logistics system, IT management •Period: August 19, 2024 - August 18, 2027	
Information Security Management System (ISMS) ¹⁾	Ministry of Science and ICT	•Scope: Operation of Yuhan-Kimberly Online Services •Period: April 3, 2024 – April 2, 2027	
Information Security Management System – Personal Information Protection (ISMS-P)	Ministry of Science and ICT	•Scope: Operation of Yuhan-Kimberly Online Services •Period: April 22, 2021 - April 21, 2024	

1) When the ISMS-P certification expired and renewal was required, we switched to ISMS and acquired a new certification.

Risk Assessment and Vulnerability Diagnosis

Yuhan-Kimberly regularly conducts risk assessments and technology vulnerability diagnosis every year in accordance with ISMS certification standards to establish protective measures and minimize security risks. We quantify the vulnerabilities and potential threats present in the target assets by categorizing into management and technical areas to assess the risk level, and decide how to handle risks that exceed the degree of acceptability (DoA). In 2024, we conducted risk assessments on ISMS control items and compliance required by law, and derived four integrated improvement plans for management risks and established short-, medium-, and long-term action plans. In addition, we completed technical vulnerability diagnosis for 955 system and security items and promptly took remedial measures, achieving an improvement rate of 95%.

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Information Security

System Security Review

Yuhan-Kimberly conducts an annual penetration testing by external experts on public-facing services such as online shopping malls, websites, and other web platforms to proactively identify potential security vulnerabilities. We run separate vulnerability scanning scripts on key infrastructure assets—including servers, networks, and databases—to check system security, and implement remediation measures for any identified vulnerabilities. We continuously monitor the improvement rate based on remediation progress and the improvement rate based on whether the remediation has been implemented is continuously monitored. Furthermore, when developing new services, the design is reviewed from the planning stage to ensure compliance with domestic laws and our information security policies.

Enhancing Information Security Compliance

Security Audit

Yuhan-Kimberly conducts regular internal and external security audits of IT assets, including PCs, networks, servers, and cloud infrastructure. The Information Security Office engages external auditors to conduct internal security audits annually with a focus on IT systems within the scope of ISMS certification. External security audits are conducted once a year by Kimberly-Clark, our shareholder, targeting Yuhan-Kimberly's internal IT systems. In 2024, there were no major issues identified in IT security audits, and we aim to maintain this result in 2025 as well.

Raising Information Security Awareness

Yuhan-Kimberly strengthens information security standards company-wide through customized training tailored to different target groups. In 2024, customized training was provided to new employees, existing staff, IT and information security personnel, and personal information processing service providers, in regard to such topics as phishing emails and ransomware response measures. Through these efforts, we promote the company-wide awareness of and the importance of information security, and support rigorous compliance with security procedures. Additionally, we provide guidance on reporting procedures for phishing emails and how to identify phishing attempts based on the W.A.I.T. method through information security newsletters.

Information security Education in 2024

Target	Purpose	Content	Parti- pants	Participa- tion rate
New Employees	Understanding and complying with internal information security rules/ guidelines	• Examples of data breach and hacking incidents • Introduction to the company's information security organization • Introduction to employee information security guidelines • Introduction to the company's key information protection rules	19	100%
Salaried Employees	Recognizing and practicing information security through training to raise information security awareness	• Learning cybersecurity safety rules in daily and work life • Raising awareness of social engineering (social media impersonation, phishing emails) • Learning how to recognize and respond to phishing emails through individualized training	638	100%
IT and Information Security Personnel	Understanding the latest security trends and improving information security capabilities through differentiated professional training	• Enhancing understanding of network structure and operation • Acquiring knowledge of network attack types • Recognizing network vulnerabilities and learning how to strengthen security (firewalls, system reinforcement, virtual private networks)	14	100%
Employees in Charge of Data Processing Service Providers (Event Agencies)	Preventing incidents through recognition of the importance of personal information protection	• Examples of personal information exposure incidents • Guidelines for breach notification and reporting • How to take follow-up measures • Precautions for handling personal information	23	100%



Newsletter about phishing emails

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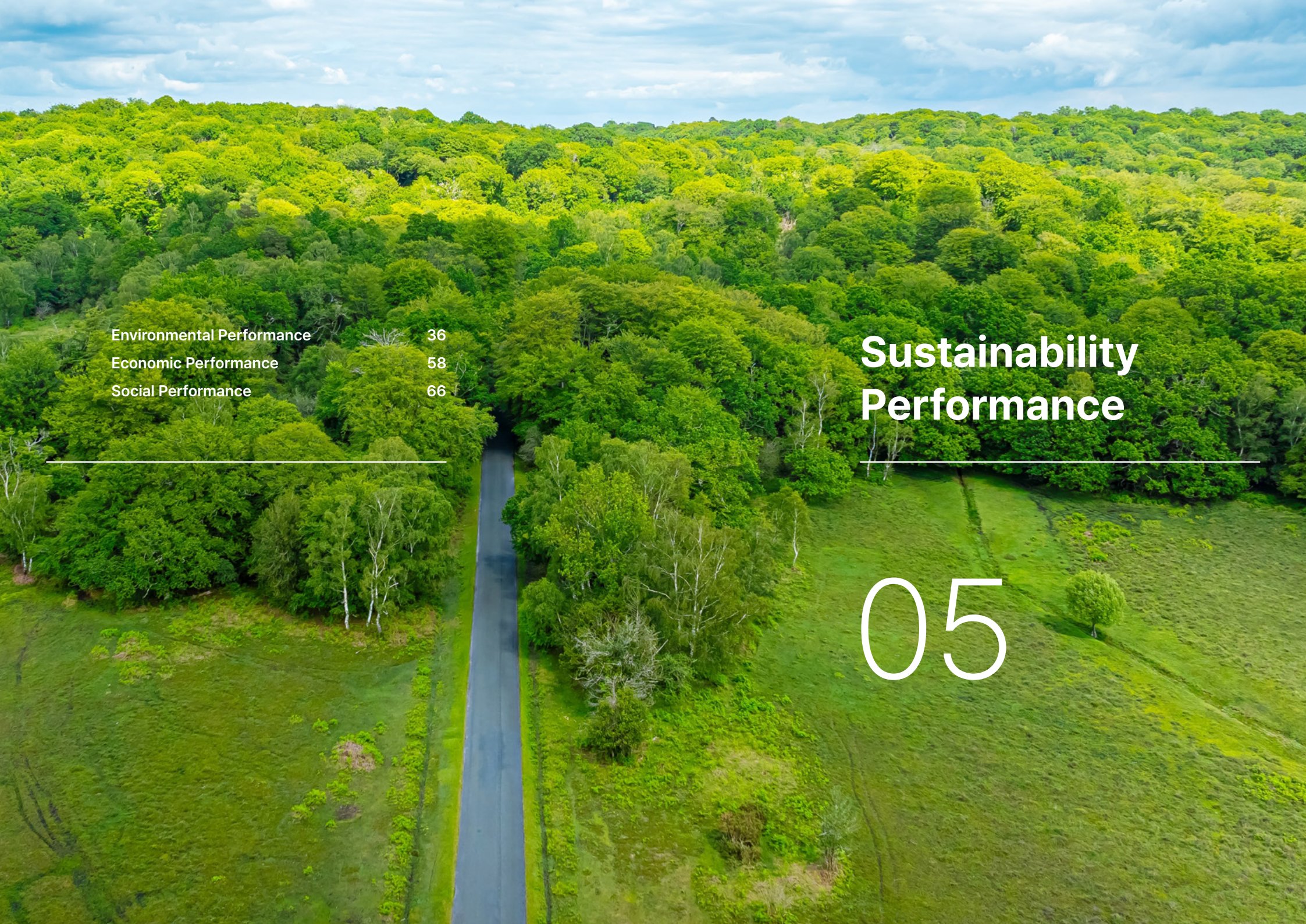
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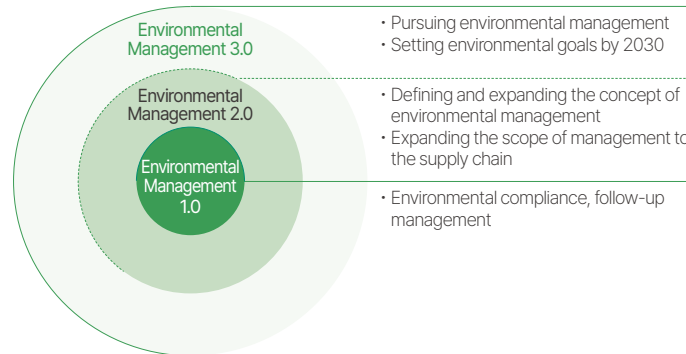
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Environmental Management System

Environmental Management 3.0

Yuhan-Kimberly has established and is steadily developing Environmental Management 3.0 to proactively respond to the strengthening of global environmental regulations. While Yuhan-Kimberly's Environmental Management 1.0 was centered on compliance and follow-up management, Environmental Management 2.0 defined environmental management as a concept that encompasses knowledge management, quality management, ethical management and win-win management, and expanded the management area to the supply chain. In 2020, we celebrated our 50th anniversary and announced Environmental Management 3.0, setting specific long-term goals such as achieving 95% of sales from sustainable products and reducing greenhouse gas emissions by 25% compared to 2015 by 2030, demonstrating our commitment to sustainable management.

Evolution of Yuhan-Kimberly's Environmental Management



Environmental Management Policy

Yuhan-Kimberly has established and disclosed its Environmental Management Policy on its website to reduce environmental impact from a life cycle perspective and realize a sustainable future. The Environmental Management Policy focuses on minimizing environmental impact at every stage, from product development and design to production, distribution and disposal, and emphasizes fulfilling our responsibilities as a leading company in environmental management.



Environmental Management Implementation System

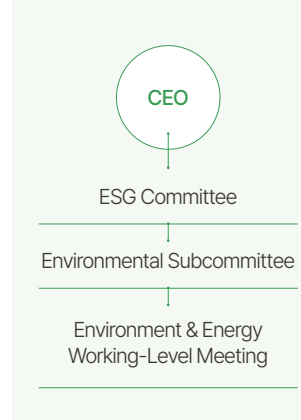
Environmental Management Governance

Yuhan-Kimberly has established an organizational structure headed by the CEO to systematically implement Environmental Management 3.0. Major discussions and decisions regarding environmental strategies are made mainly through the ESG Committee, with an Environmental Subcommittee operating under its umbrella. The Environmental Subcommittee, chaired by the leader of the Manufacturing Function, reviews environmental tasks and risks, and reports important matters to the ESG Committee and subsequently to the Board of Directors. Environmental operations are managed through the Environment & Energy Working-Level Meeting (EWLM), where each plant's performance and plans are reviewed. In 2024, agenda items such as feasibility assessments for introducing renewable energy, updates on overseas carbon neutrality regulations and trends in the emissions trading scheme were discussed.

ENVIRONMENTAL



Organization to Implement Environmental Management



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Environmental Management System

Environmental Management System

All Yuhan-Kimberly plant's implement and manage their environmental management initiatives based on ISO 14001, an environmental management system that meets international standards. Based on the PDCA¹⁾ model, each plant establishes environmental management strategies and targets for key performance indicators (KPIs) such as waste and pollutant generation, reflecting internal and external stakeholder demands. We then conduct and evaluate activities to improve environmental performance indicators to continuously improve them.

1) P(Plan), D(Do), C(Check), A(Act)

Environmental Management System PDCA Model



Plant Environmental Management System (ISO 14001) Certification Status

Plant	Certification Period	Certified by
Kimcheon Plant	Dec.2022 - Dec.2025	SGS ²⁾ Korea
Taejon Plant	Oct. 2024 - Oct. 2027	
Choongju Plant	Oct. 2024 - Oct. 2027	

2) Société Générale de Surveillance

Internalizing Environmental Management

Environmental Management Training

Yuhan-Kimberly provides training on its environmental management strategies, 2030 sustainable management targets, and regulatory requirements every year to help employees practice sustainable management. We provide job training to strengthen the capabilities of all employees. In 2024, ESG training was conducted and the current status of Yuhan-Kimberly's ESG initiatives was shared with all plant employees.

Environmental Training in 2024

Category	Target	Content
Job Training	Employees responsible for environment	Training on environmental impact assessment guidelines
		Integrated practical training on environmental laws
Environmental Management Training	All plant employees	Training to achieve plant environmental goals
ESG Training	All plant employees	Yuhan-Kimberly's ESG implementation status

Employee Participation Activities

Yuhan-Kimberly employees participate in company-wide environmental management efforts through various conservation initiatives and campaigns. They practice minimizing paper printing, using personal cups, and saving energy in plant and office heating and cooling. These activities promote greater environmental awareness and foster a sense of shared responsibility across the organization.

2024 World Environment Day Campaign

On June 5, 2024, in recognition of World Environment Day and its theme of "Drought Resilience and Combating Desertification," Yuhan-Kimberly created and shared a card news on the intranet explaining the concepts of flash drought and desertification, as well as the efforts made by the company and employees to prevent them. The campaign also served as a reminder of the goals and achievements of the Keep Korea Green initiative, and shared individual activities that employees conducted for the environment.



World Environment Day Campaign

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Environmental Management System

Compliance

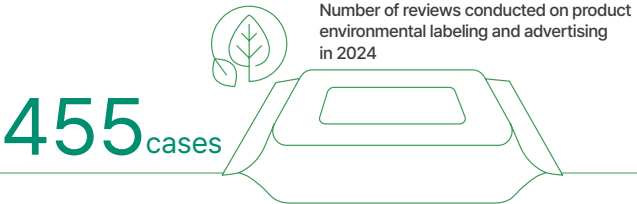
Response to Environmental Regulation

Regulatory risks are increasing as the scope of environmental laws and regulations expands and penalties are strengthened. Yuhan-Kimberly, through its Environment & Energy Working-Level Meeting, monitors major revisions to laws and regulations related to its business, such as the Water Environment Conservation Act, Waste Management Act, Air Environment Conservation Act, Chemical Substances Control Act, and Act on the Integrated Control of Pollutant-Discharging Facilities, at least once a quarter, to manage the status of its manufacturing plants and prevent potential issues. In addition, it has established procedures to respond to emergencies such as chemical spills at each plant and conducts emergency drills and training to prepare for environmental and safety accidents. Through these efforts, Yuhan-Kimberly recorded zero environmental violation in 2024.



Managing Greenwashing Risk

Amid strengthening regulations on greenwashing, the EU has reached an agreement on the Green Claims Directive and the revision of the Unfair Commercial Practices Directive, while the US Federal Trade Commission is pursuing revisions to its Green Guides. In Korea, amendments have been made to the Act on Fair Labeling and Advertising and related guidelines. Yuhan-Kimberly understands that greenwashing is not merely an issue of marketing language, but one that can have significant impacts on a company's legal responsibilities and consumer trust. To manage the product greenwashing risk, we monitor regulatory changes, update our internal product labeling and advertising guidelines accordingly, and provide training on major amendments to relevant employees. Before product launches, we conduct tripartite reviews among departments and regularly seek guidance from the Korea Environmental Industry & Technology Institute. We use eco-friendly labels only for products certified by the Ministry of Environment and maintain objective verification materials such as Life Cycle Assessment (LCA) results to demonstrate environmental improvements. In 2024, a total of 455 reviews were conducted with respect to environmental labeling and advertising.



Greenwashing Risk Management Framework

Classification	Risk Management Framework and Activities
Understanding laws and regulations	- Review amendments to laws and regulations annually and revise the Product Labeling and Advertising Guidelines as necessary - Provide internal training on major amendments to relevant personnel
Monitoring	- Conduct tripartite review on the advertising copy by the Product Safety, Legal & Compliance Division, and Environmental Management Workgroup prior to product launch - Conduct product labeling and advertising monitoring (once a year) - Seek guidance from the Korea Environmental Industry & Technology Institute on Yuhan-Kimberly's advertisements on products' environmental performance
Managing results and taking follow-up measures	- Manage review results and approval history through the in-house EtQ (Excellence to Quality) system - Discuss monitoring results and revise improvement directions with the relevant departments - Revise the Product Labeling and Advertising Guidelines to reflect monitoring results - Provide Internal training to relevant personnel

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Sustainable Products

Plastic Reduction Goals and Strategies

Plastic Reduction Targets (as of 2019)	2024 Target 13%	2024 Achievement 14%	2030 Target 50%
Target for Converting Packaging Materials to Recycled Plastics (as of 2019)	2024 Target 35%	2024 Achievement 35%	2030 Target 50%

Domestic and international regulations on packaging materials and plastics are being strengthened, as the EU adopted the Packaging and Packaging Waste Regulation (PPWR) and Korea amended the Framework Act on Resource Circulation. Yuhan-Kimberly aims to halve the use of petroleum-based plastics by 2030 compared to 2019 by expanding the use of non-petroleum-based materials such as biomass and recycled plastics. To this end, we segment our mid- to long-term plastic reduction strategies by business function and evaluate and improve our performance annually.

Packaging and Plastic Reduction Performance and Mid- to Long-Term Strategies by Function

Function	2024 Achievements	Mid- to Long-Term Strategy by 2030
Baby & Child	- Applied recycled plastics (PIR)¹⁾ to 50% of diaper packaging - Removed plastic inner packaging of BEBE GROW pacifiers and baby bottles and replaced them with paper packaging - Applied recycled plastics (PCR)²⁾ to 80% of baby wipe caps	2026 Focus on the conversion of representative products of each function into sustainable products (materials/packaging)
Family Care	- Applied recycled plastics (PCR) to 50% of secondary packaging of Kleenex toilet paper - Facial tissues (partial): Replaced plastic films at the outlet with paper - Applied recycled plastics (PCR) to 80% of wet wipe caps	
Feminine Care	Applied recycled plastics to 30% of film packaging materials	2030 Determine and implement sustainable development of products in categories (masks, skincare, accessories, etc.) other than representative product lines from 2025
Aging Care	- Applied recycled plastics to 30% of packaging materials produced at the Choongju Plant - Applied recycled plastics to 50% of packaging materials produced at the Taejon Plant	
Industrial Products/Medical Care (B2B)	- Developed and supplied paper oil absorbents - Removed wet wipe caps	

1) Post-Industrial Recycled (PIR): Refers to materials that are recycled from waste generated in the manufacturing process.
2) Post-Consumer Recycled (PCR): Refers to materials that are recycled from plastics, paper, etc. discarded after consumer use.

Activities to Reduce Plastics

Developing Plastic Reduction Products with Sustainable Materials

Through the Green Action Alliance, a value chain-based industry cooperation platform, we collaborate on product development with leading domestic material development companies. This initiative focuses not only on developing materials that can reduce the use of petroleum-based plastics and replace them with sustainable alternatives, but also on developing materials that can contribute to process improvement and promotion of a circular economy for resources. For example, the Greenfinger BEBE GROW Pure Baby Bottle, launched in 2025, applies a sustainable, plant-based (castor beans) material to 45% of the main body of the product.

Applying Recycled Materials to Packaging and Products

While complying with mandatory producer responsibility recycling rates, we continue to increase the proportion of recycled materials used in packaging and make various efforts for efficient use of resources. In 2024, the recycling rate for film-type packaging was 86.0 percent, and for container-type packaging, it was 89.3 percent. In addition, approximately 16.9 percent of the pulp used in toilet paper products was recycled paper.

Transitioning Packaging Materials to Recycled Plastics

We focus on replacing petroleum-based plastics used in packaging with non-petroleum-based materials such as biomass or recycled plastics. Recycled plastics are classified into PIR (Post-Industrial Recycled), recycled from plastics discarded in the manufacturing process, and PCR (Post-Consumer Recycled), recycled from plastics discarded after consumer use. Among these, Yuhan-Kimberly expands the application of PCR materials, which offer relatively higher resource circulation value. In 2024, we replaced 35 percent of all petroleum-based plastics used in packaging with recycled plastics, and we are actively seeking packaging innovation with an aim to achieve a target of 40 percent replacement in 2025.

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Sustainable Products

Sustainable Product Goals

As the climate change response and the transition to a resource-circulating society accelerate, expanding sustainable products is becoming an essential task for companies. Through Environmental Management 3.0, Yuhan-Kimberly has set a goal of achieving 95% of sales from sustainable products by 2030. Sustainable products, as defined by the company, are products that meet the environmental and social standards that the company set for itself compared to 2019. In particular, environmental performance is quantitatively evaluated by reflecting the results of Life Cycle Assessment (LCA), domestic eco-labels and low-carbon certification systems and considering national regulations on plastics and carbon emissions.



1) When calculating the sustainable product target achievement rate, total sales are calculated based on the domestic market and products sold through sales agencies and B2B hospital and safety products subject to safety regulations are excluded.

Guidelines for Development of Sustainable Products and Packaging

Yuhan-Kimberly has established the Guidelines for Development of Sustainable Products and Packaging, reflecting the direction of domestic resource recycling and plastic reduction policies. The 3R (Reduce, Recycle, Replace) strategy is the basic principle for product and package development, and in particular, in the packaging sector, we focus on replacing petroleum-based plastics with biomass-based materials or recycled plastics. In addition, considering that blending biodegradable plastics with conventional plastics can reduce recycling efficiency, their use is limited to packaging with a high risk of environmental leakage.

Guidelines for Development of Sustainable Products and Packaging

Priority

Reduce

Recycle

Replace

Minimize the use of raw materials

Increase recyclability

Replace plastics

Product

Minimize the use of raw materials to reduce process waste

Under feasibility study

Adopt sustainable raw materials (non-petroleum²⁾)

Packaging

Restrict over-packaging

Expand the use of recycled fiber and recycled plastics

Yuhan-Kimberly's product development environmental improvement guidelines are based on the environmental policies of the Republic of Korea.

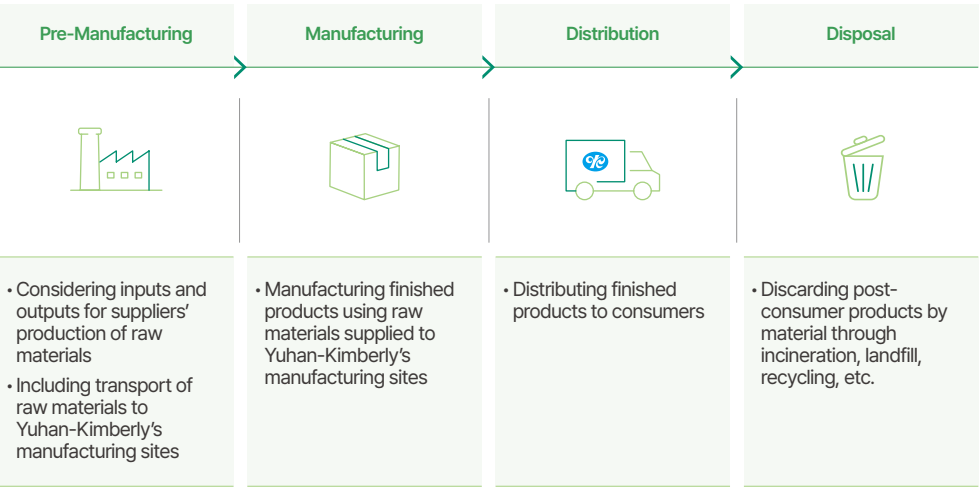
2) Biodegradable plastics are used only if there is a risk of environmental leakage such as into the ocean.

Activities and Achievements in Reducing Product Environmental Impact

Product Environmental Performance Management System Based on Life Cycle Assessment (LCA)

Yuhan-Kimberly utilizes Life Cycle Assessment (LCA) throughout the entire product development process to quantitatively manage the environmental impact of its products, and continuously advances the Life Cycle Inventory (LCI), the basic data for this purpose. At the product planning and development stage, we build an online system to review environmental impacts in advance by referring to LCA data of similar products and to analyze elements with high environmental impact through LCA simulation to establish reduction scenarios. During mass production and product launch, we link LCA results to supply chain and process improvements or labeling such as carbon footprint and percentage of recycled materials.

Scope of Data Collection by LCA Phase



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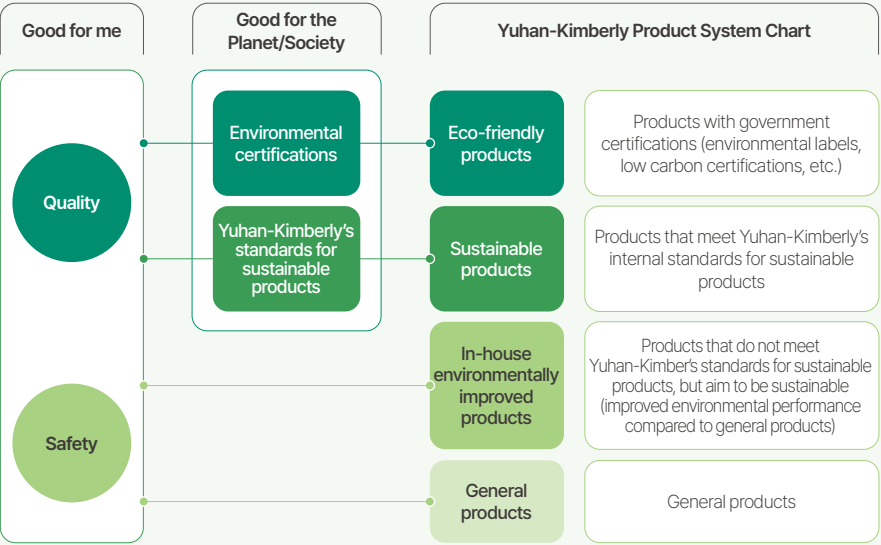
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Sustainable Products

Yuhan-Kimberly Product System

Yuhan-Kimberly strictly complies with quality and safety standards for all products, and systematically manages products by categorizing them into eco-friendly products, sustainable products, in-house environmentally improved products, and general products according to their environmental performance level. Among these categories, we are strategically promoting the expansion of eco-friendly and sustainable products, and to prevent the greenwashing risk, we use the term “eco-friendly” only for products that have obtained environmental labels or low-carbon certifications. Sustainable products are defined based on internal quantitative standards that comply with national environmental regulations, and are products that maintain or improve product performance compared to general products while enhancing environmental and social performance. On the other hand, Yuhan-Kimberly changed the name “Greener Product” to “In-house Environmentally Improved Product” as a result of the greenwashing review in the 2024 Sustainability Report, as it was determined that “Greener” may mislead consumers into thinking that the products are more environmentally friendly than “Green” products.

Yuhan-Kimberly Product System Chart



Spotlight

Products Certified by the Ministry of Environment

Yuhan-Kimberly's products have been recognized for their efforts to improve environmental performance by obtaining eco-labels and Environmental Product Declaration (EPD) certifications recognized by the Ministry of Environment. As of April 2025, a total of 37 products, including shampoo, body cleansers, toilet paper and air fresheners, have obtained eco-labels in recognition of improvement in resource circulation and reduction of harmful substances. In addition, environmental impact assessments across the full product life cycle have resulted in EPDs for three types of masks and three types of wet wipes, and two wet wipe products have received low-carbon certification in recognition of efforts to reduce greenhouse gas emissions.

Products with Eco-Labels and EPD Certifications

(as of April 2025)

Certification Standard	Product	Number of Certifications
EL308	Shampoo, hair conditioner, body cleanser	2
EL321	Toilet paper	28
EL322	Air freshener	7
EPD certification	Mask	3
	Wet wipe	3
Low carbon certification	Wet wipe	2
Total		45

Sustainable Product

Yuhan-Kimberly classifies internal criteria for sustainable products into environmental and social attributes, and manages them through detailed assessment criteria across contribution areas.

Criteria for Sustainable Products¹⁾ & and Contribution Areas

Category	Contribution Area	Assessment Criteria	Related Standards
Environmental Attributes	Reduction of/transition to plastic use ²⁾	Application of at least 50% non-petroleum-based materials	• Shareholder(Kimberly-Clark)'s goal for reduction of plastic
		Use of at least 30% recycled plastic in packaging (target: 50%)	• Yuhan-Kimberly's Environmental Management 3.0
	Reduction of carbon footprint	10% reduction of carbon footprint	• Yuhan-Kimberly's Environmental Management 3.0
	Strengthening environmental performance	Acquisition of national certificates (eco-label, low-carbon/reusable products)	
Social Attributes	Products to improve quality of living, universal right to health, etc.		• UN SDGs

1) Total sales is calculated based on the domestic market and excludes B2B healthcare products and safety products from 2024.
2) Products that meet quantitative goals as of 2019 are referred to as sustainable products.

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Resource Circulation and Waste

Waste Management

Total Waste Reduction Target ¹⁾ (Compared to 2019)	2024 Achievement	2030 Target
	11%	30%

1) For waste indicators, there were no annual detailed targets set until 2024. However, reflecting the results of the 2025 ESG self-assessment, annual detailed targets have been established and are being managed starting in 2025.

Waste Management System and Target

Yuhan-Kimberly systematically manages waste generated during the manufacturing process—including defective products and offcuts of raw materials—to minimize the environmental impact of waste throughout all stages from raw material input to production and manufacturing. We classify and process waste according to waste management procedures established for each plant, and use an internal monitoring system to manage the status of waste generation and disposal. In addition, to achieve effective waste reduction, we have set and are pursuing a mid- to long-term goal of reducing waste emissions by 30 percent by 2030 compared to 2019. In 2025, plant-specific intensity targets, previously managed on a short-term basis, will be established and managed on a mid- to long-term basis.

Efforts to Reduce Waste

Yuhan-Kimberly reduces production waste by optimizing processes and facilities, and prioritizes the reintegration of reusable raw materials back into the production process. In 2024, the Kimcheon Plant reduced annual waste disposal and adhesive purchase costs by approximately KRW 850 million through the Aqua Fresh project, which used pure water instead of adhesives to prevent delamination in toilet paper. In addition, improvements to sludge treatment facilities in 2024 led to a reduction of approximately 136 tons of sludge and KRW 40 million in waste treatment costs compared to the previous year. At the Taejon Plant, process optimization and the introduction of ultrasonic sensors on the pants production line increased the accuracy of waist band defect detection, resulting in a reduction of waste from defective waist bands by approximately 57 percent compared to the previous year. This is expected to save an estimated KRW 117 million annually. Furthermore, the Taejon Plant reduced waste by about 1,526 tons in 2024 by reusing scrap generated during the manufacturing of non-woven fabric.

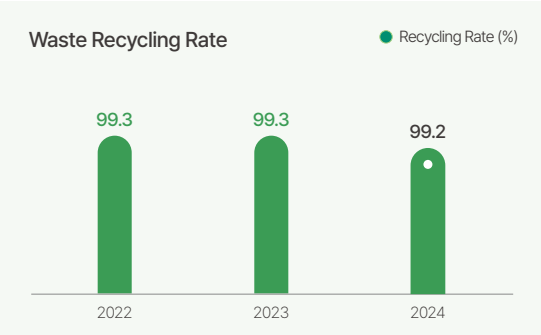
Waste Emissions

● Waste emissions (ton)
○ Intensity (ton/product ton)

Year	Waste emissions (ton)	Intensity (ton/product ton)
2022	32,781	0.14
2023	31,142	0.15
2024	30,442	0.14

Plastic Waste Recycling

Yuhan-Kimberly generates more than 1,000 tons of polypropylene (PP) and polyethylene (PE) film waste annually in the production of diapers, which is converted into plastic raw materials by specialized recycling companies. In particular, the Choongju Plant improved separation efficiency for recyclable synthetic resin waste through facility upgrades in 2024, thereby reducing waste generation and increasing the recycling rate. Also in 2024, certain synthetic resin waste generated from the sanitary pad production process was recognized as a recyclable resource in accordance with the Act on Promotion of Transition to Circular Economy and Society, resulting in 1,049 tons being recycled as raw materials for plastic container products.



Management of Waste Treatment Contractors

Yuhan-Kimberly conducts regular evaluations of waste transportation and treatment contractors to prevent environmental incidents and complaints and to ensure proper waste treatment. We evaluate all contractors at least once a year based on an internal checklist, which includes ISO 14001 standards, environmental, safety, and fire regulations, and records of administrative actions, and collect reliable information through on-site inspections. The results of these evaluations are reflected in the selection and renewal of contractors, and we encourage contractors to remedy identified deficiencies. Additionally, we provide environmental training to relevant employees and waste treatment contractors to strengthen the overall risk management system for waste treatment.

On-site Inspection Items for Suppliers and Waste Treatment Contractors

Environmental Compliance	Permission/report
	Operation/records
Community Contributions	Building environmental management systems
	Contribution to the environmental conservation

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Resource Circulation and Waste

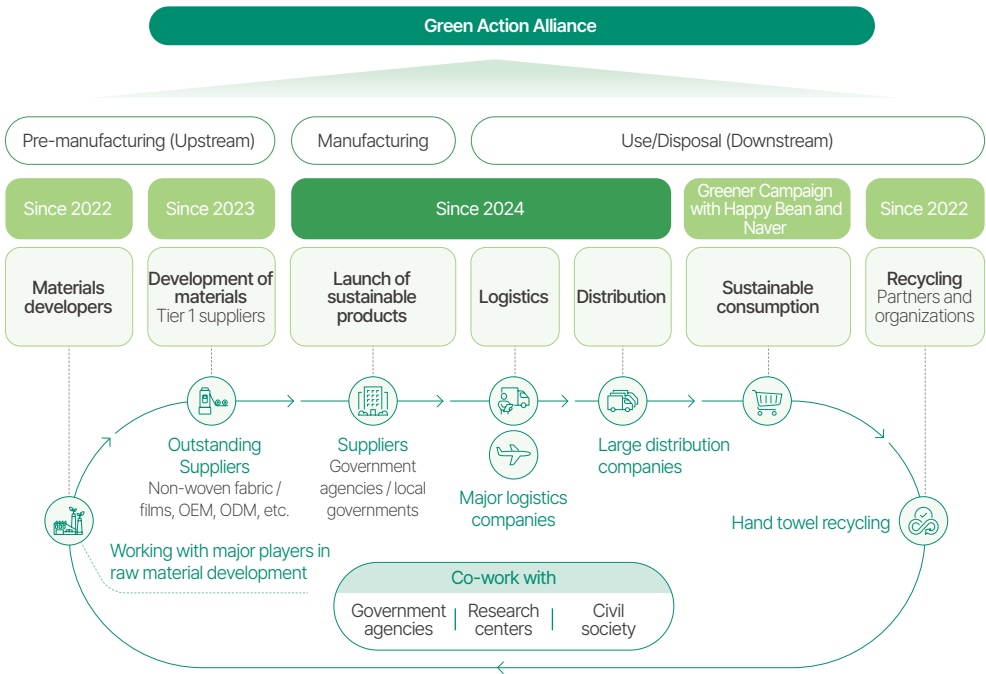
Resource Circulation across the Entire Product Life Cycle

Yuhan-Kimberly is committed to realizing a circular economy throughout the entire product life cycle, including raw materials, transportation, and disposal, in addition to waste generated in the manufacturing process. Representative programs include the Green Action Alliance, a collaborative framework across the entire supply chain, and the BI:CYCLE campaign.

Green Action Alliance

Since the launch of the Green Action Alliance in 2022, Yuhan-Kimberly has steadily expanded its collaborative network covering raw material development, primary and subsidiary materials production, manufacturing, logistics and distribution. In 2024, we discussed with raw material companies the use of pulp separated from hard-to-recycle paper packs and aseptic packs as packaging materials. In addition, as of April 2025, we are working together with a cumulative total of 70 companies to promote a transition to a sustainable ecosystem across the entire industry

Green Action Alliance System Diagram

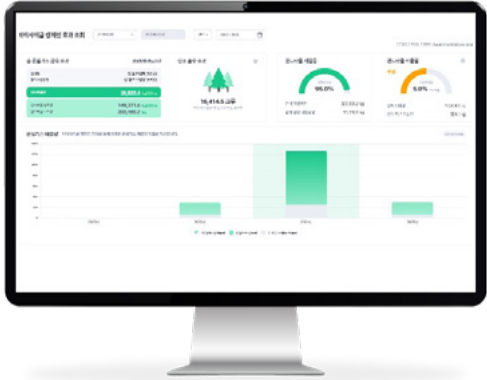


BI:CYCLE Campaign

The BI:CYCLE campaign, which focuses on the recycling of post hand towels, is a subproject under the Green Action Alliance dedicated to resource circulation. In addition to reducing greenhouse gas emissions, the campaign also contributes to strengthening consumer relationships, enhancing business competitiveness, and increasing sales. Since its launch in 2022, various local governments—such as Seoul and Taejeon—public institutions, and numerous companies have participated. In 2024, the BI:CYCLE management system was completed, enabling the effective management of hand towel collection volumes and greenhouse gas reduction amounts by company and by period. As of April 2025, a cumulative total of 32 companies had participated, recycling approximately 333 tons of hand towels and reducing about 149.4 ton of CO₂ emissions. This reduction is equivalent to the annual carbon absorption of 16,415 30-year-old pine trees from the central region.

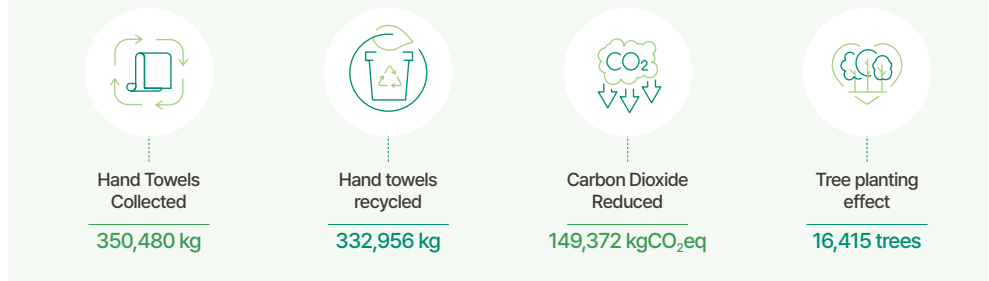


BI:CYCLE Management System



BI:CYCLE Campaign Status and Performance

(Cumulative from September 2022 to April 2025)



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Resource Circulation and Waste

Upcycling through Open Innovation

Yuhan-Kimberly is collaborating with startups through the Open Innovation¹⁾ to upcycle waste generated from plants and after manufacturing and sales. By doing so, we are not only promoting resource circulation, but also spreading sustainable environmental values through collaboration with social enterprises. We present the following examples of collaboration in the area of resource circulation in 2024.

Case 1

Paper Furniture

We reprocessed paper cores recovered from the Choongju Plant and produced three prototypes of paper furniture with Paper Pop, a startup specializing in paper furniture. The prototypes were selected through a two-stage evaluation from about 50 ideas, and are on display at the Seocho Research Center for further improvement. Paper Pop is an organization that aims to realize environmental protection and design innovation at the same time by developing sustainable furniture using waste resources.



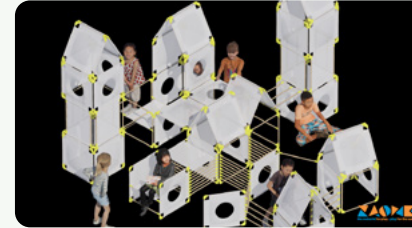
Paper Pop's paper furniture prototypes

1) For more information regarding the Open Innovation, see page 64.

Case 2

Baby Blocks for Early Childhood Education

We processed waste materials from the diaper production process and made them into modular baby blocks for teaching, which completed a two-month trial run at a childcare center in 2024. This product will be supplied in conjunction with Huggies' campaign from the second half of 2025. ZAONE is a non-profit foundation that develops educational products for children utilizing eco-friendly materials.



ZAONE's baby blocks

Case 3

Paper Clay

Using waste hand towels collected through Bi:CYCLE as raw materials, we co-developed and patented paper clay that improves the properties of existing flour-based clay. We are currently preparing for crowdfunding, and the product will be released exclusively through The Flower Factory brand. The Flower Factory is a social enterprise that utilizes environmentally friendly materials to develop artistic and educational products.



The Flower Factory's paper clay

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Water Resources and Pollutants

Water Management Goals and Systems

Water Intensity Reduction Target (compared to 2015, Kimcheon Plant)	2024 Target	2024 Achievement	2030 Target
	9%	0%	40%

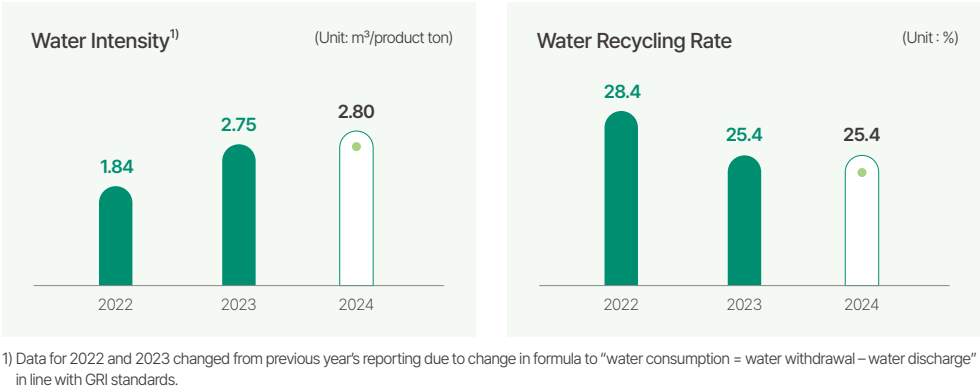
Yuhan-Kimberly recognizes the growing global issue of water scarcity as a significant challenge. The processing of pulp, used in the production of toilet paper and hand towels, requires high-quality water. To minimize the environmental impact of its manufacturing plants, Yuhan-Kimberly is pursuing a mid- to long-term goal of reducing water consumption intensity by 40 percent by 2030 compared to 2015. Kimcheon plant systematically monitors water consumption and management status in accordance with the international standard ISO 46001 guidelines.

Water Risk Management

In response to global water resource management requirements, Yuhan-Kimberly uses the Aqueduct assessment tool developed by the World Resources Institute (WRI) to analyze water risks at its three domestic manufacturing plants. The 2025 analysis comprehensively evaluated physical quantity and quality risks as well as regulatory and reputational risks, and analyzed the water stress index according to climate scenarios. The analysis showed that, overall, none of the domestic plants faced high comprehensive water risk. However, the Taejon Plant was found to have a high physical quantity risk, and the water stress index was assessed as high in both the base year and the 2030 outlook under the business-as-usual scenario. Accordingly, Yuhan-Kimberly plans to take the results of the water risk analysis into account when establishing future business strategies and making major decisions.

Activities to Reduce Water Consumption

Yuhan-Kimberly sets reduction targets and performs practical water-saving activities tailored to the water usage conditions at each plant. In 2024, the Taejon and Choongju Plants achieved their respective water consumption reduction targets of 2 percent compared to the previous year, while the Kimcheon Plant continuously monitors water consumption intensity in each paper-making process and sets quarterly reduction targets. Although water usage increased in 2024 due to the introduction of new facilities, efficiency is expected to improve in 2025 through stabilization of the facilities and achievement of quarterly targets of all production lines. In addition, to further reduce water consumption, we have formed a water management TFT that identifies opportunities for water recycling and reuse through regular monthly discussions.



Water Risk Results of the Areas Near Yuhan-Kimberly Plants in 2025

Plant	Overall Water Risk				Water Stress				
	Baseline	Detailed Risk Item			Baseline	Outlook BAU Scenario (SSP3 RCP7.0)		Outlook Optimistic Scenario (SSP1 RCP2.6)	
		Physical Risks Quantity	Physical Risks Quality	Regulatory and Reputational Risk		2030	2050	2030	2050
Kimcheon Plant	Low-Medium	Medium-High	Low-Medium	Low	Medium-High	Medium-High	Medium-High	Medium-High	Medium-High
Taejon Plant	Low-Medium	High	Low-Medium	Low	High	High	Medium-High	Medium-High	Medium-High
Choongju Plant	Low-Medium	Medium-High	Low-Medium	Low	Medium-High	Medium-High	Medium-High	Medium-High	Medium-High

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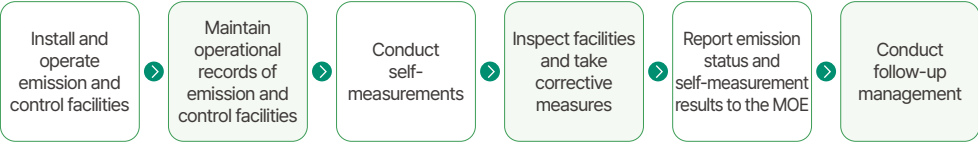
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Water Resources and Pollutants

Integrated Pollutant Control System

Since 2023, Yuhan-Kimberly has controlled air and water pollutants at each plant in an integrated manner in accordance with the Act on the Integrated Control of Pollutant-Discharging Facilities. We systematically monitor the types of pollutants generated during the production process, facility operations, emissions, and self-measurement results. We regularly report these results to the Ministry of Environment, and comply with strict environmental management standards. In particular, through the integrated environmental control system, the Kimcheon Plant has strengthened the allowable emission standard for water pollutants (TOC) by up to 49 percent compared to the previous standard under conventional regulations, thereby minimizing the impact on the local environment and contributing to the achievement of pollutant reduction targets.

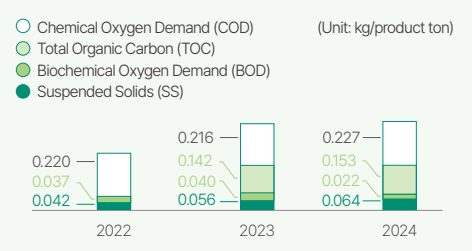
Pollutant Control System



Efforts to Reduce Air and Water Pollutant Emissions

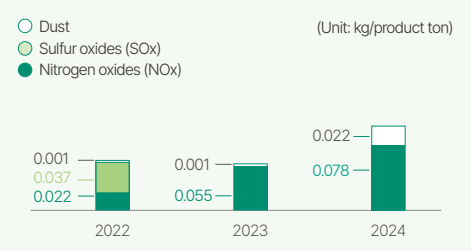
Yuhan-Kimberly continues various initiatives to reduce pollutant emissions, including process and facility optimization, real-time monitoring, and facility investment at each plant. Kimcheon Plant operates a TMS (Tele-Monitoring System) that monitors wastewater discharges in real time and automatically transmits data to the Korea Environment Corporation. Taejon Plant has introduced facilities to reduce non-point source pollutants and manages them accordingly. For particulate matter among air pollutants, emissions are kept within 10 percent of the legal standard through regular inspections and replacement of filter bags in filtration and dust collection facilities. Choongju Plant ensures proper outsourcing of laboratory wastewater treatment. All plants have established crisis response procedures for accidental wastewater leaks and conduct regular training and simulation drills.

Water Pollutant Emissions for the Last 3 Years¹⁾



1) TOC emissions were not measured and controlled in 2022.

Air Pollutant Emissions for the Last 3 Years²⁾

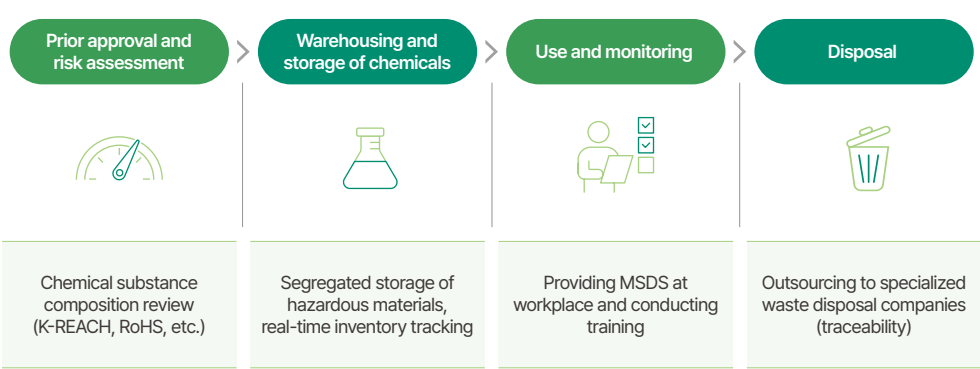


2) Zero sulfur oxide (SOx) emissions in 2023 and 2024.

Plant Chemical Management System and Activities

Yuhan-Kimberly systematically manages the entire process of chemical handling at its plants—including warehousing, storage, use, and disposal—in compliance with the Act on the Registration and Evaluation, etc. of Chemical Substances and the Chemical Substances Control Act. All chemicals undergo prior approval and risk assessment before use, and priority is given to considering alternatives for hazardous substances. When handling chemicals, on-site safety rules are applied, such as wearing appropriate personal protective equipment and installing spill prevention equipment, all based on the Material Safety Data Sheet (MSDS). In addition, safety training and emergency drills are conducted for employees at least twice a year.

Plant Chemical Management System



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Greenhouse Gas and Energy

Need to Address Climate Change

Since the Paris Agreement in 2015, countries around the world have set and committed to implementing their own greenhouse gas reduction targets. In line with the 2050 Net Zero declaration, Korea has developed a greenhouse gas reduction roadmap for 2030, aiming to reduce greenhouse gas emissions by 40 percent compared to total emissions in 2018. As greenhouse gas emitters, companies are expected to fulfill their social responsibility for emission reduction and minimizing environmental impact. Recognizing the need to respond to climate change, Yuhan-Kimberly has reported in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) since 2023.

Climate Action Organizations

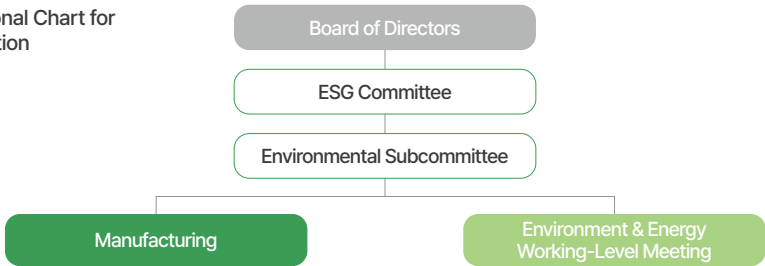
Board Supervision and Management's Role

Yuhan-Kimberly discusses ESG-related issues, including climate change, through the ESG Committee under the Board of Directors. The ESG Committee consists of environmental, social, and governance subcommittees with the CEO, CFO, and the Manufacturing Function leader serving as the head of each respective subcommittee, and the secretariat. The ESG Committee semi-annually hold a meeting and its operating regulations stipulate that it is responsible for assessing climate risks, reviewing and approving response measures, and supervising the management of sustainability-related risks and opportunities. Major climate-related issues are reported to the Board of Directors three times a year, in addition to regular ESG reporting.

Working-Level Organizations for Climate Action

Yuhan-Kimberly's Environmental Management Workgroup is responsible for practical matters concerning climate change and carbon neutrality. Strategic activities related to climate risks and opportunities are conducted in collaboration with the Finance Division, while climate change mitigation activities are carried out in cooperation with the Procurement Function and the Manufacturing Function. Key climate-related issues—such as greenhouse gas emissions and energy consumption—are reviewed by the ESG Committee and reported to the Board of Directors.

Organizational Chart for Climate Action



Climate Action Strategy

Climate Change Scenarios

To systematically respond to risks arising from climate change, Yuhan-Kimberly identified medium-term (2030) climate change risk and opportunity factors for its major businesses and assets and quantitatively analyzed the potential financial impact of each factor. For transition risks and opportunities, we applied an internal carbon price, and for physical risks, we considered the Intergovernmental Panel on Climate Change (IPCC) SSP1-2.6 and SSP5-8.5 scenarios.

IPCC SSP Scenarios

Category	Key Assumptions	Temperature Rise in 2100
SSP 1-2.6	Increased renewable energy adoption and green economic growth	1.8°C
SSP 5-8.5	Continued expanded use of fossil fuels and unchecked development	4.4°C

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Greenhouse Gas and Energy

Financial Impact Analysis of Climate Risks and Opportunities

Classifica- tion	Type	Risk/Opportunity Factor	Financial Impact Assessed	Mid-term (2030) Financial Impact (Unit: KRW 100 million)		2030 Target	Acton Items
				Min	Max		
Risk	Policy and Legal	Rising carbon credit prices	As a company subject to emission allowance allocation, increased costs for purchasing emission allowances due to tightening of emission reduction regulations. * The price is expected to rise due to an increase in the proportion of paid allocation under the Emission Trading Scheme and compliance with the government's nationally determined contributions (NDCs, national greenhouse gas reduction targets).	11	16	• Reduce carbon emissions by 25% compared to 2015	• Continuously monitor domestic and international carbon regulations and market trends • Set greenhouse gas emission reduction targets • Expand the use of renewable energy and improve energy efficiency • Reduce product carbon footprints through LCA
		Enhanced regulations on plastic waste	Costs of compliance with plastic-related regulations, such as waste disposal and EPR fees. * Calculated based on activity data for regulated items (such as shipment volume and rates by item) and the indices used to determine fees	-	104	• Reduce virgin plastic usage by 50% compared to 2019 • Achieve 50% application rate of recycled plastic in packaging materials	• Reduce the weight of plastics and transition to sustainable materials • Reduce recycling contribution fees by expanding the use of PCR • Continuously develop packaging technologies through collaboration with companies possessing new technologies • Set targets for reducing the use of petroleum-based (new and renewable) plastics and implement reduction measures • Expand the recycling of scrap plastics from the manufacturing process as raw materials for product packaging
		Response to climate-related disclosure requirements	Due to the mandatory climate disclosure requirements such as KSSB, costs are incurred to enhance the carbon emission monitoring system—including Scope 3—to ensure compliance with greenhouse gas disclosure requirements.	Not disclosed as Yuhan-Kimberly is not subject to mandatory disclosure requirements		• Voluntarily disclose and enhance emission data by category	• Continuously monitor the potential applicability of greenhouse gas regulations • Improve the accuracy of the greenhouse gas inventory for Scope 3 calculation and advance systems to increase the visibility of emissions
		Response to greenwashing regulations	Costs associated with legal sanctions in major export markets due to the tightening of global regulations on greenwashing * Fines for regulatory violations, such as those imposed by the Korea Fair Trade Commission, may be up to 2 percent of sales.	-	140	-	• Review regulatory trends and amendments in product sales regions • Operate product labeling and advertising guidelines • Conduct semiannual monitoring of product labeling and advertising
	Technology	Transition to low carbon technologies	Costs for introducing energy efficiency improvement technologies at plants and investments in product R&D to achieve greenhouse gas reduction targets and respond to demand for low-carbon and eco-friendly products	Not disclosed as this item pertains to internal investment		• Allocate 30% of the annual investment to environmental and energy improvement	• Improve production process efficiency by replacing aging equipment • Invest in R&D related to sustainable products
	Market	Changes in energy prices	Electricity purchase costs considering the global energy transition trend and the instability of fossil fuel supply	13% increased compared to electricity costs in 2024		-	• Expand the use of renewable energy and improve energy intensity efficiency

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Financial Impact Analysis of Climate Risks and Opportunities

Classifica- tion	Type	Risk/Opportunity Factor	Financial Impact Assessed	Mid-term (2030) Financial Impact (Unit: KRW 100 million)		2030 Target	Acton Items
				Min	Max		
Risk	Reputation	Change of consumer preference	Costs for obtaining eco-friendly product certifications due to increased consumer emphasis on sustainability values and growing demand for eco-friendly products and companies ※ Refer to KEITI's publicly disclosed data for domestic environmental label certification costs, assuming there are no ongoing maintenance costs	-	2	• Achieve 95% of total sales from sustainable products by 2030	• Expand the number of products that obtain environmental labels and low-carbon certifications
	Acute	Heavy rainfall	Costs related to damages and losses of buildings, facilities, and inventory due to plant flooding caused by river flooding or localized torrential rainfall ※ Heavy rainfall is defined as a daily accumulated precipitation of 150 mm or more. The flood damage rate from heavy rainfall is assumed to be 20% based on studies by FEMA and the Korean Society of Hazard Mitigation. The number of operational shutdown days due to heavy rainfall is conservatively assumed to be 3 days, referring to studies by the Occupational Safety and Health Research Institute and the Korea Environment Institute. The minimum is based on the optimistic scenario SSP1 (RCP2.6), and the maximum is based on the pessimistic scenario SSP5 (RCP8.5).	213	267	• Establish a monitoring system for extreme climate risks and reinforce disaster response infrastructure at major plants	• Analyze mid- to long-term water risks using a comprehensive water risk map (Aqueduct) and develop response strategies focused on high-risk areas • Operate natural disaster response systems for events such as heavy rainfall and floods (expand response teams, training, manuals and disaster prevention infrastructure) • Purchase insurance to mitigate asset damage and loss • Manage employee health in line with the establishment of climate change management policies
	Chronic	Heat waves	Cooling electricity costs due to more heat wave days and rising average daily maximum temperatures caused by extreme weather and decreased sales due to reduced productivity ※ A heat wave is defined as days with a maximum temperature of 33°C or higher, based on recommendations from the Ministry of Employment and Labor for outdoor work stoppages and ISO 7243. The increase in cooling electricity costs due to heat waves is assumed to be 30% on peak days. The productivity reduction rate is conservatively assumed to be 15% when the WBGT exceeds 33°C, based on ILO (2019) standards. The minimum is based on the optimistic scenario SSP1 (RCP2.6), and the maximum is based on the pessimistic scenario SSP5 (RCP8.5).	47	56	• Establish crisis response strategies such as improving the efficiency of heating and cooling equipment and adjusting working hours during heat wave warnings	• Improve energy efficiency by investing in building insulation and expanding the use of high-efficiency equipment • Invest in energy efficiency and optimization of air conditioning systems • Establish standards for adjusting working hours during heat wave warnings and expand the flexible work system
Opportu- nity	Products / Services	Eco-friendly products and services	Sales growth based on our sustainable product strategy	Not disclosed as this item is for internal management purposes		• Achieve 95% of total sales from sustainable products by 2030	• Develop and sell products that meet the sustainable product development guidelines, • Manage environmentally improved product lines with the aim of meeting sustainable product standards • Maintain and expand the number of products with environmental labels and low-carbon certifications

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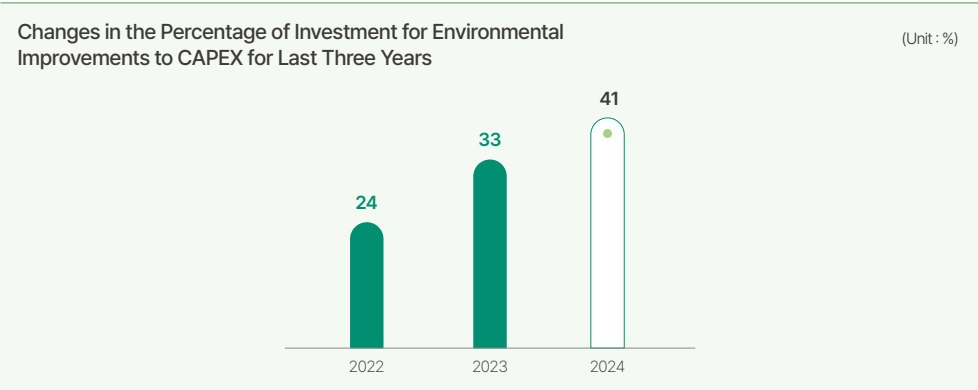
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Resilience

Yuhan-Kimberly places “resilience,” as outlined by the Task Force on Climate-related Financial Disclosures (TCFD), at the core of its strategic management. This refers to the organization's ability to manage physical and transition risks under various climate change scenarios, while simultaneously capturing new market opportunities to achieve sustainable growth. Yuhan-Kimberly builds a phased resilience framework—encompassing crisis response, adaptation, and growth—through supply chain diversification, strengthening disaster response capabilities at plants, and conducting scenario-based stress tests. Each business function strives to enhance its resilience by implementing business continuity planning (BCP) for risk management. Enhancing resilience is not only a short-term risk defense but also drives strategic, long-term investments in future competitiveness, such as investment in eco-friendly facilities, expansion of renewable energy and development of innovative materials.

Investment in Environmental Improvements

To address climate risks and contribute to greenhouse gas reduction, Yuhan-Kimberly allocates at least 30% of its annual capital expenditure (CAPEX) to investments for environmental improvement. For investment decisions related to climate action, ESG screening is conducted for projects exceeding KRW 3 billion. For environment-related investments, the ESG Committee reviews the appropriateness and status of budget allocation based on technical, financial, and regulatory risks.



Managing Operational Risks in Climate Change Strategy

Yuhan-Kimberly systematically manages operational risks that may arise in the process of implementing climate change response strategies. We develop response strategies based on key risks and opportunities identified through climate scenario analysis, and manage these strategies by linking them to the goals and action items of the Manufacturing Function. Potential climate-related operational risks are monitored on a monthly basis through meetings centered on plants and the Manufacturing Function, with the ESG Committee regularly reviewing the status of implementation. We also reflect greenhouse gas reduction performance in the KPIs of the leaders of the Manufacturing Function and plants, and, when necessary, promptly allocate human and financial resources for initiatives such as improving energy efficiency and investing in eco-friendly facilities to strengthen the effectiveness of strategy implementation. Such systematic management of operational risks helps proactively address the potential risks of implementation delays arising from shortages of personnel, resources, or capital during the execution of climate change response strategies, and contributes to continuously maintaining organizational resilience against climate change.

Risk Management Process

Phase	Details
① Identify risks and opportunities	• Identify major risks through climate scenario analysis
② Establish response strategies and link them to implementation plans	• Reflect in the KPIs and action items of the Manufacturing and the Operation Functions
③ Monitor the current status and inspect implementation	• Regularly manage through the monthly meeting of the Manufacturing Function and plant leaders and the ESG subcommittees
④ Enhance execution by allocating personnel and resources	• Execute investments necessary for strategic tasks such as improving energy efficiency and introducing eco-friendly facilities • Support execution of each task through dedicated personnel and organizational structure
⑤ Proactively address the risk of implementation delays and secure resilience	• Establish response manuals and expand investments in related systems to prepare for potential operational disruptions

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Goals and Activities to Respond to Climate Change Risks and Opportunities

Greenhouse Gas Reduction Target (Compared to 2015, based on Kimberly-Clark internal calculations)	2024 Target 13.5%	2024 Achievement 14.2%	2030 Target 25%
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2030 Greenhouse Gas Reduction Target

Yuhan-Kimberly has set a goal to reduce greenhouse gas emissions by 25% by 2030 compared to 2015. To achieve this target, we continuously manage emissions and energy use at each plant and review reduction performance through collaboration between the Manufacturing Function and the Corporate Affairs Center.

Active Participation in the GHG Emissions Trading Market

Since 2015, Yuhan-Kimberly has participated in the GHG emissions trading scheme, striving to secure surplus emission allowances by reducing emissions. Each year, after review by the Environmental Subcommittee and approval by the ESG Committee, we decide whether to carry forward or sell the secured allowances, thereby contributing to liquidity management. We will continue to regularly review emission allowance management and utilization strategies to further strengthen the foundation for achieving GHG reduction targets.

Promoting Process Energy Efficiency

Yuhan-Kimberly's manufacturing sites collect and store real-time energy usage data through the Facility Energy Management System (FEMS) and equipment operation data analysis, thereby improving both productivity and energy efficiency. While we have carried out continuous equipment improvement activities for energy efficiency at each plant annually, the normalization of operation rates of the #10 tissue machine newly established at the Kimcheon Plant in 2023 resulted in a 3.4% increase in greenhouse gas emissions (Scope 1 and Scope 2) in 2024 compared to the previous year.

Energy Saving Achievements at the Taejeon Plant in 2024

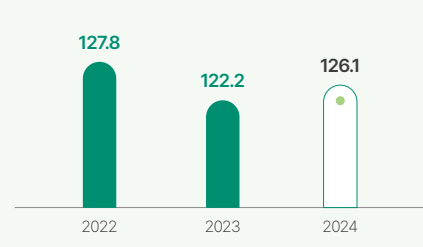
Project Name	Investment in 2024 (KRW million)	Energy Savings (MWh/year)	Energy Saving Costs (KRW million/year)	CO ₂ Reduction (tCO ₂ eq/year)
Air Handling Unit (AHU) Inverter Replacement	75	140	22	64
Premium Motor Replacement	24	76	7	35
Application of Fan Inverters for Compressors	5	285	37	131
Replacement of substation ACB ¹⁾ and Protective Relays	140	-	-	-
Fan Inverter Speed Reduction Program	0	61	6	28
Total	244	502	72	258

1) Breakers in high/low voltage switchboards or substations

Generation and Use of Renewable Energy

As part of its efforts to address climate change and advance the energy transition, Yuhan-Kimberly is working to expand on-site renewable energy generation. Since 2020, Choongju Plant has operated solar power facilities to produce its own electricity. In 2024, it generated a total of 126.1 MWh of renewable energy. Going forward, Yuhan-Kimberly will continue to explore options for building additional renewable energy facilities and enhance the execution of energy transition at the plant level.

Changes in Renewable Energy Generation (Unit : MWh)



Choongju Plant Solar Power Facility

Choongju Plant Green Company Carbon Neutrality Implementation Agreement

Spotlight

In May 2022, Choongju Plant signed the Green Company Carbon Neutrality Implementation Agreement with the Wonju Regional Environmental Office and has carried out six tasks to promote carbon neutrality in the Wonju region (reducing paper use, purchasing green products, using high-efficiency electronic devices, implementing computer power-saving functions, practicing separate waste disposal for recycling and providing forest fire education). A Green Company is an eco-friendly plant certification granted by the Minister of Environment following a review by the regional environmental office and is awarded to plants that have made significant contributions to environmental improvement, such as reducing pollutants and minimizing GHG emissions. Once designated as a green company, it is given incentives such as exemption from regular environmental guidance and inspections and support for funds and technologies needed for environmental improvement.

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Measuring and Managing Scope 3 Emissions

Yuhan-Kimberly has established a Scope 3 inventory to extend its climate change response throughout the supply chain. The Scope 3 inventory system was developed in 2023, and Scope 3 emissions in 2024 amounted to 535,575 tCO₂e. Among the 11 Scope 3 categories, purchased goods and services and end-of-life treatment of sold products accounted for the largest share of greenhouse gas emissions. Based on the results of the emissions analysis by category, we will use carbon intensity data for each primary and subsidiary material as key indicators for sustainable material development and supply chain management. Additionally, Yuhan-Kimberly considers setting quantitative reduction targets for Scope 3 emissions and prepares for performance creation strategies linked to the Green Action Alliance, an industry-wide value chain collaboration system.

Emissions by Scope 3 Category in 2024¹⁾

Classification	Category	Emissions (tCO ₂ e)	Percentage (%)
Upstream	Purchased goods and services	247,601	46.2
	Capital goods	1,695	0.3
	Fuel- and energy-related activities	29,700	5.5
	Upstream transportation and distribution	26,826	5.0
	Waste generated in operations	812	0.2
	Business travel	812	0.2
	Employee commuting	656	0.1
	Upstream leased assets	53	0.0
Downstream	Downstream transportation and logistics	5,895	1.1
	Processing of sold products	N/A	N/A
	Use of sold products	10,051	1.9
	End of life treatment of sold products	211,474	39.5
	Downstream leased assets	N/A	N/A
	Franchises	N/A	N/A
	Investment	N/A	N/A
Total ²⁾		535,575	100

1) Scope 3 emissions were calculated for 11 of 15 categories according to Yuhan-Kimberly's internal guidelines based on the Technical Guideline for calculating Scope 3 emissions-WRI. Emissions may vary depending on changes in conversion factors.
2) Emissions quantities for each category have been rounded, which may result in a difference in the total.

Supply Chain Carbon Management

Yuhan-Kimberly aims to minimize carbon emissions at all stages of its processes, including the transportation and distribution (Scope 3), which are not included in emissions reporting under the Emissions Trading Scheme. Since 2009, we have worked to minimize carbon footprint during product transportation and distribution. In particular, since 2019, we have established the Eco-Friendly Logistics Vision 2030 and has reduced greenhouse gas emissions in logistics through the optimization and rationalization of logistics systems and networks. Yuhan-Kimberly will continue to implement policies such as the introduction of electric trucks, improving pallet loading efficiency and establishing electronic receipt systems to further reduce greenhouse gas emissions.

Logistics Innovation Programs

Yuhan-Kimberly's logistics innovation programs to optimize its logistics network and reduce greenhouse gas emissions began in 2008, even before the term “climate crisis” became widely used. In 2024, we implemented a network design project to reduce the number of logistics hubs nationwide from 10 to 5. This consolidation not only improved operational efficiency, but also reduced the volume of transfers between plants and centers, resulting in lower transportation costs and reduced greenhouse gas emissions. To further reduce energy consumption, several initiatives were promoted, including increasing direct shipments from the Kimcheon, Taejon and Choongju Plants and implementing advance shipment to Coupang. As a result, transportation costs were reduced by approximately KRW 4 billion in 2024 alone and by about KRW 22.6 billion since 2008.

2024 Logistics GHG Reduction Projects

Site	Project
Headquarters	Base integration through the SND ¹⁾ project
	Operation of Choongju VF ²⁾
	Automation of transfer macros
Kimcheon	Base integration through the SND project
	Expansion of Kimcheon VF
	Utilization of Kimcheon in-house warehouses
	Increase of storage capacity of Kimcheon warehouses
Taejon	Expansion of Taejon VF
	Utilization of material storage space
	Increase of storage capacity of Taejon warehouses
	Expansion of Choongju Vender Flex
Choongju	Increase of storage capacity of Choongju warehouses
	Increase of direct delivery rate from Choongju Plant
	Increase of direct delivery rate from Deokpyeong Center

1) Supply Network Design (SND) project
2) Vendor Flex

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Biodiversity

Need for Biodiversity Management

Biodiversity encompasses the complex natural components of our planet, including species, the ecosystems in which they exist, and genetic diversity among living organisms. Companies are closely linked to biodiversity through various activities such as raw material sourcing, water consumption, and land utilization, all of which form a critical foundation for the sustainability of business operations. However, as biodiversity has been rapidly degraded in recent years due to climate change, pollution, and habitat destruction, companies now face practical risks such as resource supply instability, stronger regulations and reputational damage. In response, the Kunming-Montreal Global Biodiversity Framework (GBF), adopted in 2022, has clarified the disclosure responsibilities of companies and financial institutions. The Korean government reflects this direction as well, having established the Fifth National Biodiversity Strategy (2024-2028) and emphasized the role of the private sector. Moreover, the Taskforce on Nature-related Financial Disclosures (TNFD) was officially launched in 2021. The TNFD requires companies to systematically identify their dependencies and impacts on natural capital, assess related risks and opportunities, and transparently disclose this information to investors and stakeholders. In line with these global trends, Yuhan-Kimberly piloted a biodiversity analysis on major products from the Kimcheon Plant in 2023, and in 2024 expanded the scope to include the Taejon and Choongju Plants, thereby advancing its biodiversity management system.

Biodiversity Management Organization

Yuhan-Kimberly is actively promoting biodiversity-related initiatives, led by the Environmental Management Workgroup, to proactively address biodiversity risks and strengthen sustainable natural capital management. In accordance with the TNFD, the Environmental Management Workgroup systematically analyzes dependencies and impacts on the natural capital at the plant level, and identifies risks and opportunities to develop corresponding strategies. To clarify basic principles and management direction for biodiversity, we have also established a biodiversity policy, which will be voluntarily disclosed externally following the ESG Committee's approval in the second half of 2025.

Process to Identify Biodiversity Risks and Opportunities

Yuhan-Kimberly applied the LEAP (Locate–Evaluate–Assess–Prepare) approach recommended by the TNFD to systematically identify the risks and opportunities that biodiversity poses to business operations. First, we identified locations where our business activities interface with nature, then evaluated the dependencies and impacts on natural capital in priority analysis areas. Next, we identified the pathways through which highly dependent or impactful natural capital can create risks and opportunities for our operations, and assessed their significance from an internal perspective through reviews by relevant department personnel. Lastly, we established management directions and response targets for key natural capital identified through this process. In 2024, based on this process, a LEAP analysis was performed on Huggies Naturemade Panty produced at the Taejon Plant and Goodfeel Medium Original Overnight Panty produced at the Choongju Plant.

Phased Product Safety Management Activities

			
L (Locate)	E (Evaluate)	A (Assess)	P (Prepare)
Locate contact points with nature	Evaluate dependency and impact	Assess risks and opportunities	Prepare response strategies
- Identify locations of key business sites and suppliers - Analyze and screen whether these sites are located in natural capital high-risk areas using the ENCORE¹⁾ tool	Identify the ecosystem services that key business activities depend on and the key pressures these activities exert on the environment using the ENCORE tool	- Identify and categorize risks and opportunities to the company operations based on ecosystem services and pressures assessed as having high dependence and impact - Assess key departmental personnel based on the list	Conduct activities and prepare response strategies in line with the SBTN²⁾ and AR3T³⁾ frameworks

1) ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure): A global risk analysis tool to assess a company's dependencies and impacts on natural capital.
2) SBTN (Science Based Targets Network): A global initiative to set nature-related targets
3) AR3T (Avoid, Reduce, Restore & Regenerate, Transform): A nature-related risk management strategy

Identifying Contact Points with Nature

We identified key locations where interactions with natural capital occur across the entire value chain of Huggies Naturemade Panty and Goodfeel Original Overnight Panty products. We identified locations of major plants and suppliers from upstream to downstream, and analyzed them using the ENCORE hotspot map for natural capital high-risk areas. As a result, we selected priority analysis areas including Taejon, South Korea.

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Biodiversity

Assessing Dependency and Impact

Using the ENCORE tool, we analyzed the ecosystem services that major industrial activities of plants and suppliers located in identified high-risk areas depend on, as well as their impacts on natural capital. The analysis found that dependence on water resource-based ecosystem services—such as water flow regulation, flood mitigation and storm mitigation—was assessed as “moderate.” While this is relatively higher than dependence on other ecosystem services, it is generally considered that, due to the nature of the industry, the overall dependence on ecosystem services is not significant.

Meanwhile, plastic manufacturing was assessed as having a high impact on natural capital due to the discharge of harmful substances into water and soil, and pulp manufacturing was evaluated as having a high impact in terms of emissions of non-GHG air pollutants and generation of solid waste.

However, as the ENCORE tool is a qualitative analysis tool based on industry averages, there are limitations in precisely reflecting the specific characteristics and management levels of activities at each plant.

We conducted a pilot analysis at the Taejon Plant to enhance precision at the plant level. The analysis showed that the plant discharges treated water into the Gapcheon River via the Daedeok Industrial Complex Management Corporation's environmental facility. It was confirmed that the Gapcheon River supports an aquatic ecosystem with more than 30 species of benthic invertebrates. Based on these findings, we confirmed that the Taejon Plant could have a relatively high environmental impact in terms of the release of hazardous substances into water and soil.

Benthic Invertebrates Inhabiting Gapcheon ¹⁾	Burrowing Mayfly	Swan Mussel	Water Bug	Purse-case Caddisfly	Stripe-backed Mayfly
	Four-spotted Mayfly	Freshwater Snail	Net-spinning Caddisfly	Tubificid Worm	White-spotted Net-spinning Caddisfly
	Water Scorpion	Small River Mayfly	Oriental Mayfly	Sinistral Freshwater Snail	Freshwater shrimp
	Pond Mayfly	Asian Threadtail Damselfly	Lip-marked Mayfly	Asian Clam	Crane Fly
	Little Water Scavenger Beetle	Black-tailed Damselfly	Baetis Mayfly	Little Yellow Mayfly	Tailed Mayfly
	River Snail	Spinner Mayfly	Midge	Giant Water Bug	Prong-gilled Mayfly

1) Benthic invertebrates: invertebrates that live all or part of their life underwater

Impact & Dependency Heatmap of Huggies Naturemade Panty and Goodfeel Original Overnight Panty

Dependency															
Major Industrial Activities	Ecosystem Services														
	Supply Service	Regulation and Maintenance Services													
	Water supply	Global climate regulation	Regulation of precipitation patterns (subcontinental scale)	Regional and local climate control	Air purification	Soil and sediment retention	Solid waste purification	Water purification	Water flow regulation	Flood mitigation	Storm mitigation	Noise mitigation	Biological control	Dilution of pollutants by air and ecosystems	Mitigation of sensory impacts (excluding noise)
Plastics Manufacturing													-		
Pulp Manufacturing								-							-

Impact

Major Industrial Activities	Pressure						
	Disturbance impacts (e.g., noise, light, etc.)	Greenhouse gas (GHG) emissions	Non-GHG air pollutant emissions	Solid waste generation and emissions	Land use area	Discharge of hazardous substances into water and soil	Water consumption
Plastics Manufacturing							
Pulp Manufacturing							

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Risk and Opportunity Assessment

For the top six natural capital items with the highest dependency and impact identified through ENCORE analysis, we mapped and listed the risk and opportunity pathways to our business for each item. Subsequently, Key internal stakeholders of major departments—including the Environmental Management Workgroup, the Procurement Division, environmental managers at the Taejon and Choongju Plants and marketing staff for baby and feminine care products, all with a deep understanding of our products and business activities—participated in a qualitative assessment. Using a five-point scale, they evaluated the severity and likelihood of the potential impact that each item could have on Yuhan-Kimberly's business activities between 2025 and 2030.

Risk Assessment Results

Among ecosystem services, storm mitigation was identified as the highest risk. This suggests that as weather-related disasters (such as heavy rainfall and typhoons) become more frequent due to climate change, increased exposure to physical shocks in raw material production areas, manufacturing sites, and transportation routes may lead to raw material price spikes and delivery delays, heightening overall supply chain instability. Among factors with a negative impact on the environment, the generation and discharge of solid waste was identified as the most significant risk. If plastic and non-woven fabric waste generated during manufacturing leads to stricter regulations and higher treatment costs, this may result in increased operating costs and reduced product price competitiveness.

Opportunity Assessment Results

Impact-based items were rated relatively higher. In particular, activities to manage non-GHG air pollutants, reduce solid waste, and minimize hazardous substance emissions into water and soil were identified as opportunities to strengthen regulatory compliance and enhance our eco-friendly brand image. In addition, major distributors and global brands consider compliance with biodiversity-related certifications and reporting standards—such as RSPO¹⁾, FSC®, and CDP—a key criterion in supplier evaluation and partner selection. Therefore, biodiversity management activities may also serve as an important competitive advantage in expanding sales and business opportunities.

1) RSPO(Roundtable for Sustainable Palm Oil)

Response Strategy

The Science Based Targets Network (SBTN), a global initiative for setting nature-related targets, proposes that companies implement priority-based responses based on the AR3T (Avoid, Reduce, Restore & Regenerate, Transform) framework to scientifically reduce their impacts on natural capital. The TNFD also recommends that companies develop strategies to respond to identified nature-related risks and opportunities based on AR3T principles. In response, Yuhan-Kimberly intends to develop and implement Avoid, Reduce, Restore, Regenerate and Transform strategies based on the AR3T principles to respond to risks such as weakened storm mitigation, solid waste generation and emissions, and opportunities such as management of non-GHG air pollutants, reduction of solid waste and reduction of hazardous substances in water and soil identified through the previous assessments.

Yuhan-Kimberly's Activities and Goals under AR3T

AR3T	Activity	Goal
Avoid	1) Complied with Yuhan-Kimberly's sustainable procurement forest policy and used environmentally preferred fiber (EPF)	1) 100% compliance with Yuhan-Kimberly's sustainable procurement forest policy and EPF
Reduce	1) Reduced plastic consumption and increased the proportion of recycled plastic in packaging to reduce solid waste emissions - Achieved a 14% reduction in plastic usage in packaging compared to 2019 - Achieved a 35% conversion to recycled plastic in packaging compared to 2019 2) Recycled 333 tons of hand towels through the BI:CYCLE hand towel recycling campaign 3) Collaborated with nonprofit startups through the Open Innovation and upcycled waste generated from plants and after product manufacturing and sales 4) The Taejon Plant invested KRW 300 million to install and manage facilities for reducing non-point source pollutants in order to decrease water pollutant emissions	1) Reducing the use of pulp sourced from northern boreal forests by 50% by 2025 compared to 2021 2) Reducing the use of fossil fuel-based virgin plastics by 50% by 2030 compared to 2019 3) Applying 50% recycled content (RC) in film packaging by 2030 4) Reducing Scope 1 and 2 GHG emissions by 25% by 2030 compared to the 2015 baseline
Restore & Regenerate	1) Restored the functions of urban forest ecosystems through the Forest of Coexistence project in collaboration with the Taejon local community	1) Planting and managing more than 450,000 trees annually with the goal of cumulatively planting 60 million trees by 2030
Transform	1) Strived to convert raw materials for non-woven facilities at the Taejon Plant from petroleum-based plastics to biomass	1) Applying 100% EPF—such as recycled fiber, sustainably certified pulp (e.g., FSC® CoC) and pulp alternatives (e.g., bamboo)—to protect natural forests

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Biodiversity

Spotlight

Choongju Plant
Biodiversity Conservation Activities



Choongju Plant's activities to remove invasive alien plants

One Company, One MOU to Remove Invasive Alien Plants

In 2014, Yuhan-Kimberly's Choongju Plant signed an MOU with the Wonju Regional Environmental Office to remove alien plants that disturb ecosystems. Since then, we have carried out continuous removal activities with the goal of complete eradication of invasive alien plants, such as wild cucumber and giant ragwort, around the plant. In addition, we have also conducted education and awareness campaigns on the risks posed by invasive alien plants to further spread the removal activities.

Donggang Cleanup Rafting

In 2024, Yuhan-Kimberly's Choongju Plant signed an MOU with the Wonju Regional Environmental Office for the Donggang Cleanup Rafting initiative, and contribute to the promotion of biodiversity and conservation of riparian ecosystems through environmental cleanup activities in the Donggang River basin's ecological and landscape conservation area. Yuhan-Kimberly plans to organize at least one Donggang Cleanup Rafting per year within a defined scope for the next three years.



Choongju Plant's Donggang Cleanup Rafting

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Strengthening Business Competitiveness

Growing Core Businesses by Enhancing Business Competitiveness

Yuhan-Kimberly classifies product categories that align with the company's vision and possess differentiated capabilities and competitive advantages over competitors as core businesses and systematically manages them. Through these core businesses, we increase profitability and market leadership in a sustainable manner, thereby strengthening our business competitiveness. Currently, our core businesses include baby care products, feminine care products and family care products. Over the next two to three years, we plan to focus our overall efforts and resources on core businesses in order to establish a stable foundation for growth.

Yuhan-Kimberly's Core Business¹⁾ Product Lineup

Business Area	Main Products	Brands
Feminine Care	Sanitary pads, panty liners, overnight panties, tampons, feminine cleansers, etc.	Goodfeel, White
Baby Care	Diapers, panties, wet wipes	Huggies
Family Care	Toilet paper, facial tissues, towels	Kleenex
Aging Care	Incontinence liners/pads, underwear, adult diapers	Depend
B2B Products	Protective clothing, wipers, gloves, work boots, masks	Kimtech, Kleenguard, Wypall

1) Core businesses pertain to the domestic market, not including exports.

Product Innovation Achievements in Core Businesses

Yuhan-Kimberly is strengthening product innovation across its major business functions by proactively respond to rapidly changing market conditions and consumer needs.

In feminine care, we introduced Goodfeel Super Soft and Goodfeel Summer Edition, presenting innovative products designed to address diverse consumer concerns and situations. We also expanded our product portfolio by launching a foam-type feminine cleanser certified with natural ingredients and a flushable cleansing tissue, which resulted in an 82.8% year-on-year growth in sales of feminine cleansing products.

In baby care, we launched Huggies Super Jumbo diapers for children weighing 22 to 29 kg, establishing a full eight-stage lineup from ultrasmall diapers for preemies to super jumbo sizes.

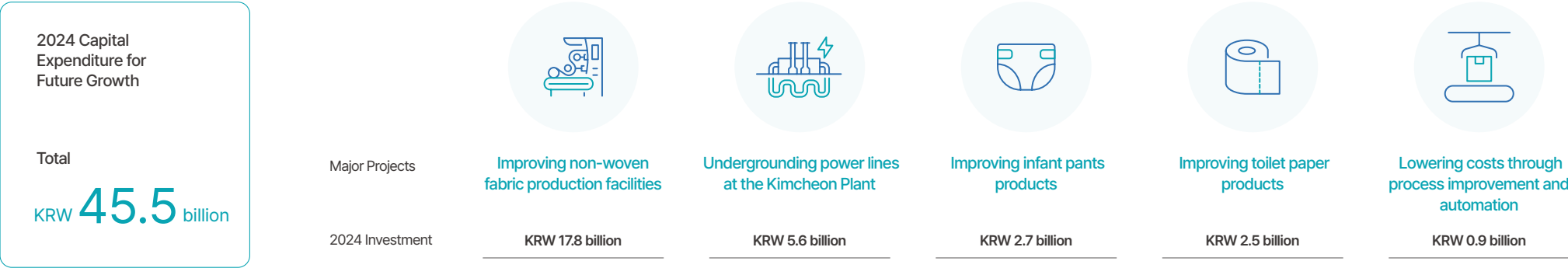
In family care, Kleenex toilet paper achieved a record market share of 45.3% in offline distribution channels. Pursuing both quality satisfaction and environmental contribution, we launched a premium 4-ply toilet paper made with the Aqua Fresh process, which bonds layers using drinking water that meets Ministry of Environment standards instead of adhesives.

In aging care, we increased the penetration rate of incontinence products by raising consumer awareness and expanding user experience, and continuously developed products for those with limited mobility, thereby achieving a double-digit average annual sales growth over the past five years.

In B2B industrial hygiene products, we launched new items such as food wipes and food-grade gloves. Our strategic product, Kleenex Center Pull Tissue, recorded a 9.6% year-on-year sales growth.

Investment for Product Innovation

Yuhan-Kimberly is actively investing in facilities to enhance the competitiveness of core products and secure a stable supply base of its family care products and B2B business areas. In 2024 alone, we invested a total of KRW 45.8 billion, with the largest portion allocated to improving facilities to produce non-woven fabric used as materials for core products such as baby and adult diapers and sanitary pads.



Strengthening Business Competitiveness

Key New Products in Core Businesses in 2024

Business Area	Product Line	Name	Description	Image
Baby & Child Care	Diapers	Huggies® Naturemade	- Nature-friendly diaper that is gentle and soft on baby skin by applying naturally derived materials (biomass) - Panthedin™ Cica Care Lotion is applied on the inner cover to protect baby skin - Huggies® exclusive Dual Action Core™ delivers absorption and breathability at the same time	
		Huggies® Naturemade Summer	- Nature-friendly diaper for the summer season that is gentle and soft on baby skin by applying naturally derived materials (biomass) - Huggies® signature summer diaper designed for the summer season, featuring thin and highly breathable materials and a cooling sensation that lowers temperature up to -3 degrees - Inner cover contains natural aloe lotion to help soothe skin	
		Huggies® Pant-Type Stage 8	- Stage 8 superjumbo size (22-29 kg) diaper for fast-growing babies and older babies 10 mm longer length and 30 mm wider waist and thigh girth for a roomy, comfortable fit	
Feminine care	Sanitary Pads/Panty Liners	Goodfeel® Super Soft	- Sanitary pads made with yarns up to 3.5 times thinner than cashmere for exceptional softness and dramatically reduced skin friction - Air pocket absorption structure for fast absorption, minimum residue and a 13% lighter wearing experience than previous products - Comfortable for sensitive skin, with the highest "Sensitive" grade awarded by Dermatest	
		Goodfeel® Summer Edition	- Sanitary pads for the summer season with a 3-step ventilation system to minimize skin discomfort - Quick drying and enhanced breathability with a linen-blended cotton cover and over 6,000 air holes - Absorbent layer with international patent-pending technology for a comfortable feel without rewet experience	
		Goodfeel® Feminine Cleanser, Cleansing Tissue	- Foam-type feminine cleanser designed with a mildly acidic pH similar to women's Y-zone skin - Natural cosmetics with EU's COSMOS NATURAL certification containing 98.23% naturally derived ingredients - Hygienic feminine wipe that can be flushed directly in the toilet after use	
Aging Care	Pads/ Liners	Depend® Style Liner, Pad	2-7 times more absorbency and a wider front design positioned to address the usual location of incontinence offer worry-free peace of mind 99% deodorization for comfortable, odor-free use	
	Underwear	Depend® Style Underwear	- Dual Action Core for fast absorption and excellent airflow - Patent-pending deodorizing technology that eliminates the root cause of odors - Real underwear fit for comfortable wear	
Family Care	Toilet Paper	Kleenex® 4ply Toilet Paper	- Extra thick and soft 4-ply toilet paper - Soft toilet paper made with 100% virgin pulp and cotton pulp	
	Facial Tissues/ Wet Wipes	Kleenex® Petite Tissue	- Kleenex's first square-shaped portable tissue - A must -have for outings, featuring a more compact size and cute, kitschy design that fits easily even in small bags compared to traditional portable tissues	
		Kleenex® 100th Anniversary Design Special Edition	- Designed in collaboration with illustrator Saki, expressing the softness of Kleenex in a floral design - Available as Silky Soft facial tissues and Silky Soft wet wipes	

Expansion of Summer Products

Spotlight

Yuhan-Kimberly is expanding its summer-specialized product lineup to support consumers' comfort during the hot season. In 2024, we further diversified our product range and enhanced seasonal functionality by launching summer-exclusive products under its leading brands.

A baby diaper brand, Huggies, introduced Naturemade Summer Diaper, featuring enhanced breathability and absorbency to protect sensitive baby skin. With a 100% breathable cover and the Airy Fit pattern, this diaper minimizes skin contact even in hot weather.

In the feminine care category, Goodfeel launched the Goodfeel Summer Edition, designed to reduce sweat and skin irritation with a three-step ventilation system for extra comfort during the summer. White introduced White Stay Cool, which incorporates a cooling sheet that delivers a refreshing sensation, meeting diverse consumer needs related to menstruation during the hot season.

An aging care brand, Depend, released the lightweight and highly breathable Style Underwear Summer products, featuring an ultra-thin design for discreet, sweat-free comfort even in hot weather.

For family care, Kleenex introduced Cooling Wet Wipe for outdoor summer activities, formulated with a cooling essence that provides instant freshness upon contact with the skin.

Yuhan-Kimberly will continue to flexibly respond to seasonal lifestyles and changing environments, strengthening seasonally appropriate product lines to deliver differentiated value to consumers.



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Business Model Innovation

Expanding New Businesses through Business Model Innovation

Yuhan-Kimberly is strategically nurturing future core businesses not only in lifestyle innovation products but also in the fields of industrial safety, public hygiene and healthcare, with the goal of establishing a foundation for sustainable growth.

As consumer awareness of health, hygiene, and safety has become a daily norm, global markets are setting new trends in personalized hygiene and healthcare products, high-performance skincare, premium household products, and personal hygiene items. In response, Yuhan-Kimberly is moving beyond simply expanding its product portfolio to strengthen its competitiveness through new product launches and entry into new markets. Future core businesses are selected based on synergy with existing core businesses, growth potential, and marketability, and major product groups include skin care, child care products, cleaning products, wet wipes, disease control & hygiene products, and healthcare products. Yuhan-Kimberly aims to foster these future core businesses as next-generation growth engines for mid- to long-term growth.

Yuhan- Kimberly's Future Core Product Lines

Business Area	Key Products	Brands
Skin Care	Sunscreen, skin toner, lotion	Greenfinger, FoRest
Child Care Products	Accessories such as baby bottles and pacifiers	Greenfinger, BEBE GROW
Cleaning Products	Cleaning wet wipes for home and B2B	Scott
Wet Wipes	My Bidet, baby wet wipes, general wet wipes	Kleenex, Huggies, Greenfinger
Disease Control & Hygiene Products	Masks, hand sanitizers, etc.	Kleenex
Healthcare Products	Masks, latex gloves, etc.	Healders

Innovation Achievements in Future Core Businesses

Skin Care

Building on 18 years of experience in the infant & baby skincare business, Yuhan-Kimberly launched the new brand “FoRest” in 2023, targeting the 2030 generation and entering the clean beauty market. We are also expanding our skincare business overseas, including into Japan, Mongolia, and Taiwan.

Child Care Products

Targeting the Korean childcare product market, which is valued at approximately KRW 800 billion, Yuhan-Kimberly launched the Greenfinger BEBE GROW brand to supply a wide range of baby and child care accessories, including not only baby bottles and pacifiers but also teethingers, straw cups, oral care products and detergents. Notably, the Pure Baby Bottle, released in February 2025, is the first plant-based baby bottle in Korea, containing 45% castor-bean-derived material that reduces carbon emissions by 80% compared to conventional plastic.

Cleaning Products

The main products of Yuhan-Kimberly's leading household care brand, Scott, include cleaning wet wipes for both household and B2B use. The Glass & Mirror Cleaning Wipe achieved sales growth of more than three times year-on-year and demonstrated a robust three-year average annual growth rate of 11.3%.

Wet Wipes

Yuhan-Kimberly supplies general and B2B wet wipes under the Kleenex and Scott brands, and baby wet wipes under the Huggies and Greenfinger brands. Among these, “Kleenex My Bidet,” toilet wet wipe, has maintained the No. 1 market share for 12 consecutive years¹⁾, and in 2024, we launched a new low-irritation product “My Bidet Pure,” suitable for infants from 0 months old.

1) Nielson, 2013–2024 market share by sales amount and by sales volume for toilet wet wipe brands in the Korean retail market

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Business Model Innovation

New Products in Future Core Businesses in 2024

In 2024, we launched 18 new products in our future core businesses. Major new products include Kleenex My Bidet Pure, Kleenex Cooling Wet Wipe, and Greenfinger BEBE GROW Pure Baby Bottle.

Key New Products in Future Core Business in 2024

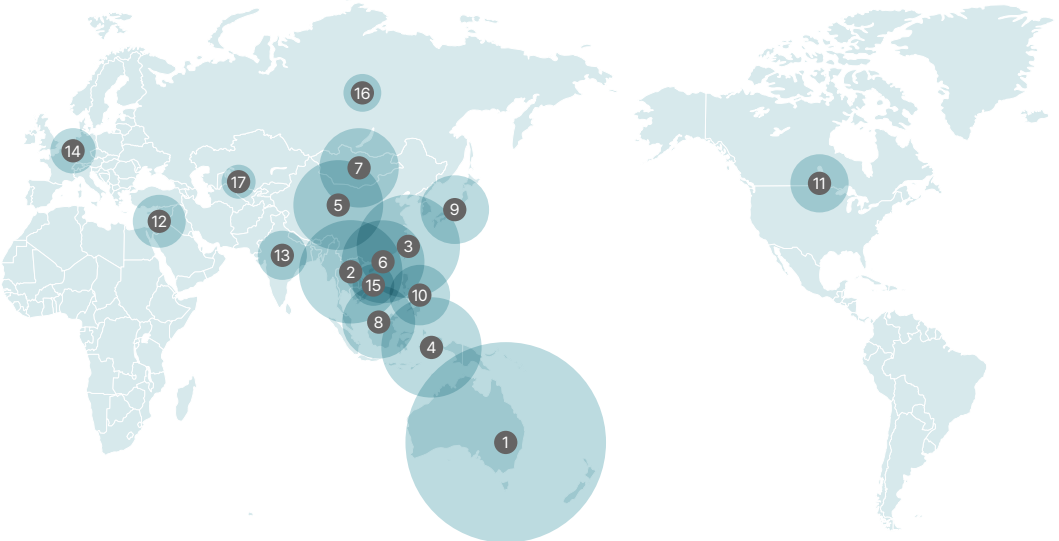
Business Area	Name	Features	Image
Skincare	FoRest® Cica Serum Cream	- Clean beauty skincare focused on the 2030 generation - Patented liposome technology combined with "Phyton Repair Sika Complex" sourced from forest - Enhancing the absorption of active ingredients such as Jeju hinoki water and centella asiatica extract to improve skin moisturization	
Wet Wipes	Kleenex® My Bidet Pure	- Low-irritation toilet wet wipes suitable for infants from 0 months old - Low-irritation, plastic-free wet wipes rated Excellent, the highest rating awarded by Germany's Dermatest - Formulated with only three ingredients in addition to 99% purified water filtered through a nine-step filtration process	
	Kleenex® Cooling Wet Wipe	- Cooling wet wipes for the summer season with enhanced cooling effect - Temporary cooling effect, lowering skin temperature by up to 6°C - Free from seven types of paraben preservatives and 25 allergic ingredients designated by the Ministry of Food and Drug Safety	
Child Care Products	Greenfinger BEBE GROW™ Pure Baby Bottle	- Baby bottle featuring designs inspired by Korean flowers and trees - Suitable for mixed feeding as a feeding guide for baby lips - Improving usability with an air valve for smooth airflow and a non-slip overcap	
	Greenfinger® Butterfly Pacifier	- One-piece silicone pacifier designed to minimize the risk of swallowing and choking accidents due to product separation - Open design with minimal water retention for easy and hygienic cleaning, drying and sterilization - Symmetrical butterfly shape design to accommodate dental and gum structure	

Overseas Market Entry and Growth

To meet the demand for premium products in the Asia-Pacific region, Yuhan-Kimberly develops and manufactures high-quality products and supplies them to major affiliates in countries such as Australia, Taiwan, China, and Hong Kong. In addition to affiliate exports, Greenfinger offers skincare products and baby bottles through online and offline channels in Vietnam, China and Taiwan. Huggies, White, and Kleenex have maintained high market shares, ranking first or second, in the premium market in Mongolia.

In 2024, Yuhan-Kimberly exported products to a total of 24 countries, with annual export sales reaching KRW 120.1 billion, a 6% increase from the previous year. The main growth drivers were increased B2B product exports and expanded demand for aging care underwear products in Australia. In 2024, we exported Kleenex My Bidet to the US market, launched the Greenfinger brand on the Amazon platform, and entered the Japanese market with the FoRest skincare brand. We continue to make inroads into new markets, including launching BEBE GROW baby bottles in Vietnam.

Major Export Status in 2024



No	Country	Export Amount	No	Country	Export Amount	No	Country	Export Amount	No	Country	Export Amount
1	Australia/New Zealand	41,260	5	China	8,880	9	Japan	5,137	13	India	1,248
2	Thailand	11,699	6	Hong Kong	8,254	10	Philippines	3,269	14	Germany/UK	299
3	Taiwan	11,257	7	Mongolia	7,185	11	U.S./Canada	2,689	15	Vietnam	273
4	Indonesia	10,387	8	Malaysia/Singapore	6,392	12	Israel	1,624	16	Russia	226
									17	Uzbekistan/Kyrgyzstan	32

(Unit: KRW million)

Export Status in 2024

Total
KRW 120.112billion

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End-to-End Business Innovation

Value Chain Innovation

Yuhan-Kimberly is driving innovation across the entire business value chain, from manufacturing and logistics to consumer touchpoints. We enhance sustainability and operational efficiency in every area through smart manufacturing, smart logistics, business platforms, channel strategies, and Open Innovation. End-to-end business innovation is a core strategy that enables Yuhan-Kimberly to respond swiftly to changing environments and build a competitive operational foundation for sustainable growth.

Smart Manufacturing

Building Smart Manufacturing Systems

Yuhan-Kimberly improves work efficiency and proactively responds to future industrial changes by digitalizing data and automating dashboards. In addition, we use real-time process monitoring to optimize production processes while integrating inventory information and continuous process information. We are particularly focused on fostering a digital transformation (DT) culture by expanding the use of smart manufacturing systems such as the Manufacturing Execution System (MES) and OSI-PI¹⁾.

MES is an integrated system for efficiently managing and monitoring production processes in the plant, strengthening traceability and connectivity of manufacturing data. It was first introduced at the Taejon Plant, then expanded to the Kimcheon Plant. Its functions are currently being enhanced, with further expansion planned for the Choongju Plant in 2025.

OSI-PI is a data integration and analytics platform that visualizes, collects, stores, and analyzes manufacturing and process data connected through MES. In 2024, Yuhan-Kimberly introduced a Microsoft Power Automate-based electronic approval system, digitalizing production logs and automating approval processes. In addition, real-time sensing and alarm systems enable us to swiftly trace the cause of process abnormalities and quality issues and implement measures to prevent recurrence.

1) OSI's PI system that collects, enhances, stores and provides access to reliable real-time operational data.

Digital Transformation Projects

Yuhan-Kimberly is strengthening engineers' data-based problem-solving capabilities through Digital Transformation (DT)²⁾ projects to accelerate digitalization at manufacturing sites. By reflecting "value creation through digital" in manufacturing KPIs, we promote company-wide participation and increase the practical effectiveness of digital transformation. Engineers identify process improvement tasks and achieve tangible results for strengthening manufacturing competitiveness—such as improved quality and enhanced maintenance efficiency—by leveraging automation technologies and data analytics.

In 2024, we held a Digital Transformation EXPO, contributing to manufacturing competitiveness through ten DT initiatives. At the Taejon Plant, we improved operators' workload by introducing an automatic raw and subsidiary material transfer system using autonomous mobile robots (AMRs). At the Choongju Plant, we implemented a bottom-up workload improvement process by holding workshops with field operators and introducing robots to fully automate box supply for female pad production machines 1 and 8. We will continue to reinforce our manufacturing competitiveness by consistently creating value based on smart manufacturing and digitalization.

2) Activities that plant engineers use digital tools to solve problems based on data.

Projects to Improve Workload through Manufacturing Automation

Taejon Plant



Choongju Plant



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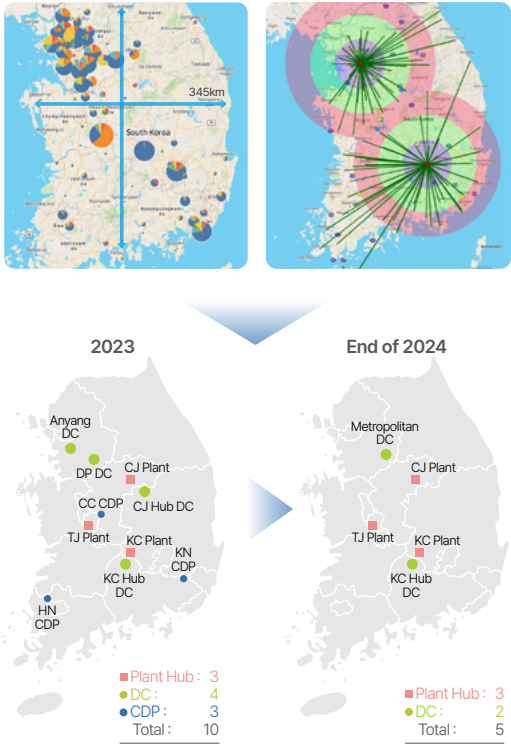
End-to-End Business Innovation

Smart Logistics

Supply Network Design Project

In October 2022, Yuhan-Kimberly launched the Supply Network Design (SND) project to build a competitive supply chain in response to the rapidly changing domestic logistics environment. We streamlined the supply chain from production bases to consumers to enhance consumer service and reduce logistics costs, and maximized logistics efficiency by consolidating logistics hubs and standardizing minimum order quantity (MOQ). We successfully reduced the number of logistics hubs from 10 as of 2023 to 5 by December 2024 and optimized the entire process, reducing logistics costs by KRW 5.5 billion annually. In addition, we are contributing to reducing our carbon footprint by reducing greenhouse gases by 45 tons of carbon dioxide equivalent per year through reducing logistics travel distance.

Supply Network Design Project



Internalizing e-Commerce Logistics Centers

Since the launch of its own e-commerce platform momQ in 2014, Yuhan-Kimberly has continued to achieve steady growth in the e-commerce sector. We enhanced our logistics capabilities by operating a dedicated e-commerce center in 2021, and further strengthened logistics efficiency and operational stability by consolidating three external e-commerce centers into logistics centers within Yuhan-Kimberly plants in 2023. In January 2024, we integrated the Gonjam external warehouse and Gunpo e-commerce warehouse, centralizing operations in Gunpo. Later, in December 2024, the Gunpo e-commerce warehouse was relocated and internalized to the Yuhan-Kimberly Anyang logistics center, where it is currently in operation. The complete internalization of e-commerce centers has led not only to reduced logistics costs, but also to enhanced responsiveness and competitiveness in the rapidly changing e-commerce market. In addition, we reduced our reliance on third-party logistics warehouses and achieved savings in both warehouse rental and transportation costs.

Business Platforms and Channels

Growth of Women's Wellness Platform, "Daldabang"

Yuhan-Kimberly is driving business platform innovation by diversifying its service channels, with a particular focus on strengthening digital platform competitiveness in the feminine care business through the menstrual health curation app "Daldabang." Aiming for consumer-centric innovation, Daldabang continues to enhance its features and design—for example, by introducing AI functions that make it easier for image-centric users in their teens and 20s to find information through image-based content. The service also runs premium campaigns to offer consumers personalized brand experiences, further solidifying its role as a marketing hub.

In 2024, Daldabang completed major service upgrades including a web version launch, improvements to the calendar function, a store renewal, and the introduction of a new community feature. The platform delivers easy and engaging menstruation and women's health information through various "snackable" content such as webtoons and interviews, and provides a comprehensive women's health solution—offering expert content that covers the entire life cycle from menarche to menopause, opportunities to try sanitary pads, and community features. As a result, awareness has increased especially among POME¹⁾ and POBA²⁾ users in their teens, and cumulative downloads reached 2 million within four years of launch.

1) Point of Market Entry: Consumers using sanitary pads for the first time
2) Point of Brand Adaptation: Consumers choosing a brand of sanitary pads for the first time



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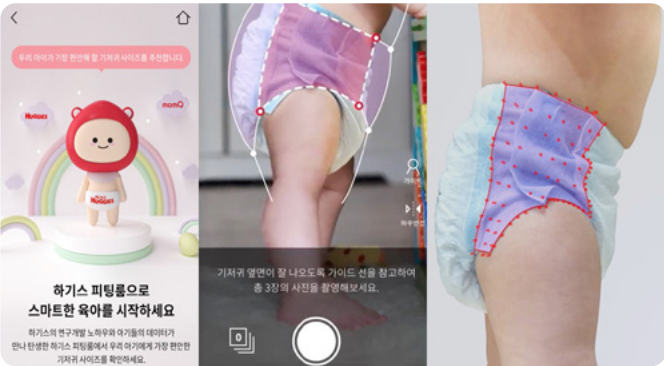
End-to-End Business Innovation

D2MP Channel Innovation

Yuhan-Kimberly has been strengthening its D2MP (Direct to Marketplace) business model, which directly connects manufacturers with consumers. Since 2019, we have accelerated consumer experience innovation by engaging in direct transactions with consumers through leading e-commerce marketplace channels such as Naver, Kakao, and Gmarket. In 2024, sales from brand stores on our own direct online shopping mall increased by 36% compared to the previous year, while the number of consumers who registered for brand news notifications increased by 35%, reaching 1.25 million. Going forward, Yuhan-Kimberly will further refine the consumer journey—from content to engagement to purchase—centered on its D2MP strategy, strengthening sustainable distribution channel competitiveness suited to the digital era.

Enhancing Consumer Experience through AI Services of Parenting Platform “momQ”

Yuhan-Kimberly's direct online shopping mall, momQ, has grown into Korea's leading parenting platform with over 2 million cumulative members. momQ provides AI-based services designed to offer real support and convenience, taking into account the increasingly diverse parenting environments and the unique characteristics of each child. The AI chatbot “Q-Mom Talk” is powered by large language model (LLM) technology and draws upon a wealth of parenting information provided by momQ and trusted web sources to deliver friendly and accurate answers to parents’ questions. In 2024, momQ launched the “Huggies AI Fitting Room” service, which uses AI technology and consumer big data to recommend the most suitable diaper size based on accumulated baby body shape data and size satisfaction metrics. Through these AI-based personalized parenting services, Yuhan-Kimberly continues to expand consumer touchpoints and deliver personalized services and benefits throughout the entire life cycle.



Huggies AI Fitting Room

Future Innovative Product Pipeline

Yuhan-Kimberly operates its future product pipeline with a focus on products that meet consumer demands for health, hygiene and the environment. We plan to sequentially launch around 30 key products centered on skin-friendly, low-carbon, eco-friendly, and raw material-based solutions. Notably, products such as Kleenex toilet paper rolls, Scott Eco Paper Wet Wipe, and Goodfeel La Nature are flagship initiatives linked to the goal of achieving 95% of sales from sustainable products by 2030, with ESG values embedded from the product planning stage.

Open Innovation

Yuhan-Kimberly is actively pursuing Open Innovation by collaborating with external partners to create new value and address environmental and social challenges. In particular, we are achieving sustainable product innovation and developing eco-friendly materials through collaborations with government and public institutions, as well as startups. Since 2023, Yuhan-Kimberly has expanded collaboration with public organizations such as the Gyeonggi-do Social Impact Creators and the Korea Agricultural Promotion Agency, undertaking joint projects with local social and economic organizations. We also launched eco-friendly and category innovation products in collaboration with eco-friendly packaging startup “Refeely,” women's healthcare startup “Vuniv Lab” and eco-friendly materials startup “Revation.” Yuhan-Kimberly carried out joint R&D projects with these startups to allow them to be selected for the Ministry of SMEs’ TIPS (Tech Incubator Program for Startup) program and secure a total of KRW 700 million of government support. These collaborations have directly contributed to the launch of new products by enabling Econnect raw material sourcing and the application of low-carbon plastics. Yuhan-Kimberly will continue to discover new technologies and resources, and expand product innovation, through Open Innovation with diverse external partners.

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End-to-End Business Innovation

Spotlight

Kleenex Production Base Kimcheon Plant obtains FSC® CoC Certification

Due to the nature of the toilet paper industry which requires the utilization of forest resources such as pulp, it is very important to practice responsible manufacturing and consumption by utilizing raw materials produced from sustainable forest management. Yuhan-Kimberly has been operating a policy of purchasing environmentally preferred fibers since 1971, when it introduced its first tissue. In 2025, our Kimcheon Plant was awarded FSC® CoC certification (FSC® C207933) by the Forest Stewardship Council®.¹⁾

FSC® certification is an international standard for realizing sustainable management by maintaining and managing forests responsibly from the economic, social, and environmental perspectives. FSC® Chain of Custody (CoC) certification is issued by the Forest Stewardship Council (FSC®) to companies or plants that manufacture, process, and distribute wood and certifies the chain of custody of forest products.

With the FSC® CoC certification, Yuhan-Kimberly's Kimcheon Plant has been officially certified for the sustainability of its processes from raw materials from certified forests to final processing for its entire Kleenex toilet paper and part of facial tissues and kitchen towels. The FSC® certification mark can be found on the product packaging, and we plan to expand the range of certified products to include wet wipes in the future.



Kleenex toilet paper with the FSC® certification mark

- 1) Certification period: November 14, 2024 - November 13, 2029
- 2) Certification period: March 21, 2024 to March 20, 2027

Goodfeel and White Tampon Production Base Taejon Plant Obtains GMP Certification for Quasi-Drugs

All of Yuhan-Kimberly's feminine care manufacturing plants have obtained GMP (Good Manufacturing Practice) certifications for quasi-drugs. Following the certification for sanitary pads at the Choongju Plant in 2023, our Taejon Plant became the first tampon manufacturing facilities in Korea that obtained a GMP certification for quasi-drugs in 2024.²⁾

Quasi-drug GMP is a standard for manufacturing and quality management recognized by the Ministry of Food and Drug Safety, requiring strict compliance with standards for the entire manufacturing process, quality control, monitoring, and on-site inspections. We have continuously enhanced stability and quality in all areas—including manufacturing facilities, quality, hygiene and personnel—to meet GMP requirements. Based on a quality assurance system for feminine care product lines, we will accelerate product innovation in organic sanitary pads, tampons, and overnight panties.

We continuously aim to secure consumer trust through comprehensive quality assurance across all manufacturing processes and contribute to the expansion of menstrual equity and social value creation.



White Tampons and Goodfeel Tampons produced at the Taejon Plant, which has obtained GMP for quasi-drugs.

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Employee eXperience and Growth | Talent Management

Talent Management based on the EX Philosophy

Securing talented with diverse competencies and skills and continuously enhancing their capabilities not only increases individual satisfaction and fulfillment but also strengthens organizational competitiveness while enabling sustainable growth. From this perspective, Yuhan-Kimberly implements talent management under the philosophy that employees' growth through meaningful experience (employee eXperience) drives sustainable growth of the company. Meaningful experience (eXperience) enables the employees' voluntary engagement of work (eXciting), leading to the creation of new achievements (eXcellence) that drive the growth of the entire organization. Yuhan-Kimberly offers a variety of experiences at each stage of the employee life cycle* to systematically implement talent management, thereby actively supporting the employees to utilize the opportunities for growth. We also have a fair performance evaluation and compensation system to ensure that every member is respected and can continue to grow.

* Employee life cycle means the phases from pre-employment to onboarding, engagement and performance, creation of achievements, development and post-retirement.

Yuhan-Kimberly's EX (Employee eXperience) Philosophy and Goals

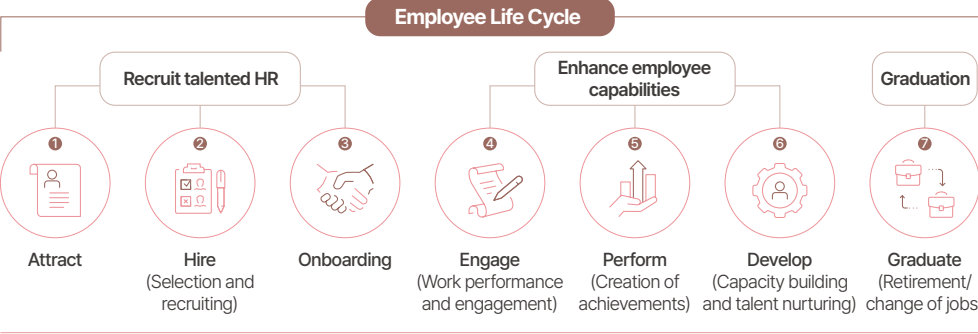
EX Philosophy

Personal growth through meaningful experiences drives sustainable growth and realize the vision of the company

EX Goals

- Enable employees to focus on their work based on their experience and enhanced capacity and achieve healthy and sustainable growth of the company
- Provide opportunities for personal growth and development through diverse experiences in the stages of the employee life cycle
- Internalize endeavoring and proactive performance responsibility culture through a growth mindset
- Virtuous cycle of 3EX (EXperience, EXcitement, EXcellence)

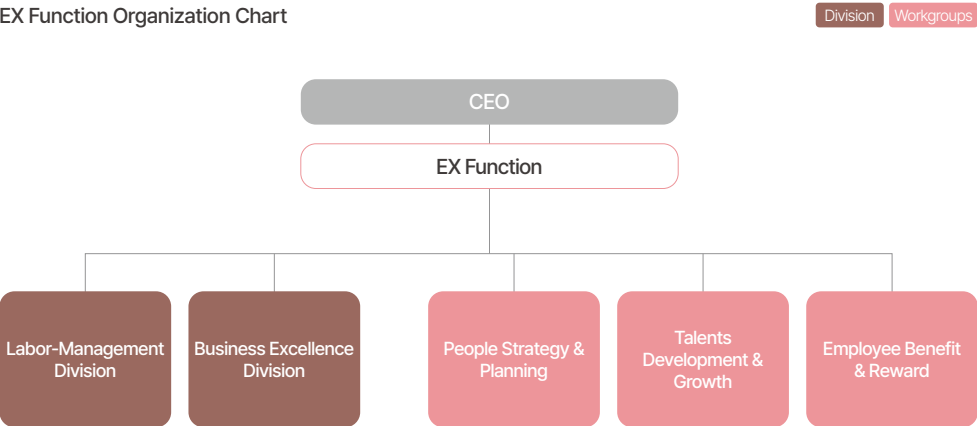
Yuhan-Kimberly's Employee Life Cycle



Organization to Promote Talent Management

Yuhan-Kimberly, based on its commitment to talent management, renamed the HR Division to the EX Division in 2022 and reorganized it into EX Function in 2024. The EX Function is responsible for all HR management from recruitment to retirement. In addition, we have the EX Committee, composed of key executives, to enhance the efficiency of major EX programs and enable effective decision-making in the HR-related matters. The Committee is convened whenever there is a major decision such as determination of employees to be promoted or establishment of EX-related systems, and the EX Function discusses the issues that are shared with the Committee members in advance.

EX Function Organization Chart



Major Decisions of the EX Committee in 2024

Date	Major Decisions
February	• Set and confirmed 2024 goals
June	• Reviewed and confirmed details of regular promotion
December	• 2024 Company-wide Calibration Committee (Performance and Development)

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Employee eXperience and Growth | Talent Management

Talent Management Based on Employee Life Cycle

Recruiting Talented Human Resources

To secure talented human resources who will lead change and innovation, Yuhan-Kimberly focuses on evaluating growth mindset and job suitability throughout the entire recruitment process. We also utilize various recruitment contents to attract highly capable candidates. In particular, the recruitment website discloses practical information such as job descriptions and interviews with current employees, along with the Employee Value Proposition (EVP), which outlines the compensation and growth opportunities offered after joining the company. These allow applicants to be informed about the job they are applying for and gain a deeper understanding of Yuhan-Kimberly's organizational culture as a whole.

In addition, Yuhan-Kimberly implements an onboarding program for new employees to provide essential knowledge for company life and strengthen bonds with existing employees, thereby enhancing their sense of belonging. In 2024, to help new hires adapt smoothly and have access to consistent information, the New Employee Guidebook was produced. This Guidebook contains key information necessary for new employees, ranging from company introduction to benefit programs. It will be constantly updated to reflect the feedback from new employees and any changes in company policies. The satisfaction score for the 2024 onboarding program was 4.7 out of 5.0. Participants gave generally positive feedback on the program's structure and operation, stating that it was "a valuable opportunity to gain a better understanding of the company as a whole" and that "it covered a wide range of topics including compensation, which was very practical."

Enhancing Employee Competency

Yuhan-Kimberly actively supports employees' competency development by operating a variety of training programs tailored to each career stage and job level, focusing on four key areas: leadership, job expertise, digital capability and global capability.

Strengthening Leadership

Training programs for strengthening leadership capabilities and fostering next-generation leaders include the New Leader Growth Program, Key Leader Competency Enhancement Program, Mentoring Program, and SERI CEO and Hunet CEO programs. The New Leader Growth Program provides new leaders with lectures from experienced leaders, focusing on leadership roles and core competencies. In 2024, it achieved a satisfaction score of 4.8 out of 5.0. The Key Leader Competency Enhancement Program nurtures potential leaders through insights from function leaders and external experts. The Mentoring Program allows junior employees to seek advice from experienced and competent senior colleagues on various aspects of company life; as of 2024, a cumulative total of 169 participants have taken part, and mentee satisfaction stood at 4.1 out of 5.0. SERI CEO and Hunet CEO are educational programs designed for executives and leaders, delivering the latest issues and management trends to enhance leadership suitable to the organization; in 2024, 34 and 61 individuals participated respectively, with training hours (per participant) amounting to 77 and 25 hours, respectively.

Strengthening Job Expertise

To enhance job expertise, Yuhan-Kimberly operates the in-house learning website, YK Learning, and the micro-learning content platform, Knowledge Café. Thanks to various new contents updated each month, the usage increased by 29% compared to the previous year. In the Manufacturing Function, training programs are conducted based on practical fieldwork, including Field Learning, the Senior Operator Leadership Course, and the In-house Instructor Program. The Field Learning is designed for manufacturing plant employees working in four-team, double-shift systems, focusing on strengthening job expertise and job performance capabilities through on-site training in safety, quality and process. The Senior Operator Leadership Course is a tailored program for employees in leadership roles on the production sites. The In-house Instructor Program enables diverse career paths—junior, senior, and master instructor—based on training performance and evaluations, developing employees with diversified skills and strengthening on-site capabilities.

Strengthening Digital Capability

Training programs for enhancing digital capabilities include Power BI, Product Owner Training, Digital School and the Generative AI Short-form Production Course. The Power BI course focuses on applying Tableau-based data visualization tools to practical work and achieved a satisfaction score of 4.7 out of 5.0. Product Owner Training is designed to develop competencies required for product managers, e.g., platform business strategy and consumer needs analysis, with a satisfaction score of 3.8 out of 4.0. Digital School, which offers hands-on training on chatbot creation and AI image utilization, received a satisfaction score of 4.0 out of 4.3, while the Generative AI Short-form Production Course for marketers also received a high satisfaction score of 4.2 out of 5.0—reflecting positive responses across all digital training courses. In addition, at the AI idea contest 'Smart Company Life with AI,' which took place for four months from June to September 2024, a total of 60 AI utilization ideas to improve business performance, enhance work efficiency and secure future skills were proposed. Among these ideas, 1 grand prize, 5 best excellence awards, and 10 excellence awards were selected, and the winning entries were summarized by using generative AI and shared throughout the company via the intranet.

Key Programs and Objectives for Each of the Four Areas in 2024				
Four Areas	Leadership	Job Expertise	Digital Capability	Global Capability
Objectives	- Identify and develop next-generation leaders - Enhance leadership capabilities of current leaders	- Enhance job performance capabilities - Enhance job performance efficiency	- Generate data that serve purposes - Strengthen the ability to derive data-based insights and apply them to practices	Ensure smooth communication with stakeholders through the cultivation of global competence
Key Programs	- New leader Growth Program - Key Leader Competency Enhancement Program - Mentoring Program - SERI CEO, Hunet CEO	- YK Learning, an in-house learning website - Knowledge Café - Field Learning (job process) - Senior Operator Leadership Course - In-house Instructor Program	- Power BI - Product Owner Training - Digital School - Generative AI Short-form Production Course	Phone English

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Employee eXperience and Growth | Talent Management

Major Education Programs for Manufacturing Sites in 2024

Plant	Program	Targets	Purpose
Kimcheon, Taejon, Choongju	Online education for digital transition mindset	All office workers	• Strengthen digital capabilities
	Beginner's Power BI course – in-house	Engineers in manufacturing function	• Foster smart human resources through systematic digital capability training • Contribute to continuous improvement and value creation in the manufacturing function through problem solving-based projects
	Intermediate Power BI Course – external		
	Beginners/intermediate JMP ¹⁾ course – external		
	JMP design of experiment (DOE) course – external		
	Beginners/intermediate JMP qualification course	Employees subject to four-team, double-shift system in manufacturing function	• Establish a culture of continuous improvement and create challenging value • Contribute to enhanced manufacturing competitiveness through cost reduction and productivity improvement
	Operational Excellence (OPEX) centerlining education		
	Operational Excellence (OPEX) 5S education		
	Lean mindset & 5S education	Office workers	• Provide employees with opportunities for participation in management to boost their pride and loyalty, while encouraging creative suggestions that contribute to cost reduction in the manufacturing function and the development of a database
	BIG (big idea generator) workshop	All employees in manufacturing function	
	Leaders/Chief Engineers' organizational management workshop	Leaders/Chief Engineers	
	Senior operator workshop	Senior operators	
Choongju	Inhouse instructor education	Inhouse instructors	• Enhance leadership capabilities and problem-solving skills and strengthen mindset • Contribute to creating a positive workplace culture by nurturing exemplary and highly skilled in-house instructors as on-site opinion leaders
	Field Learning	Employees subject to four-team, double-shift system	• Enhance job capabilities • Solve fundamental problems by fostering a culture of learning while working and working while learning, with a focus on job-centered perspectives
Choongju	Participatory leadership course	All employees at Choongju Plant	• Acquire knowledge and skills necessary to achieve optimal performance

1) Data analysis software for scientists and engineers

Strengthening Global Capability

A representative program for enhancing global capability is the telephone English course, which is customized to the skill levels and needs of each employee. As of 2024, the program has had a cumulative total of 370 participants and achieved a satisfaction score of 4.8 out of 5.0.

Support for Retirees

Yuhan-Kimberly provides retiree support programs so that employees can live a healthy life after retirement and minimize psychological withdrawal and economic losses from retirement. These programs target retirees over 50 years of age with more than one year of service, and provide education for prospective retirees (company system guidance, financial design, etc.), professional counseling (EAP), re-employment support and support for retirees at the retirement age (providing 6-month education for re-employment and life design and education expenses of KRW 3 million). In addition, in order to support employees in planning for a stable future and to realize sustainable talent management, Yuhan-Kimberly operates a retirement pension system (DB/DC). The system is applied to all employees who have worked for more than one year, and Yuhan-Kimberly systematically manages the contributions by depositing retirement pension funds with external financial institutions each year, ensuring stable payments at the time of retirement. In particular, to strengthen rewards for long-term employees, a progressive retirement pension system has been introduced. Under this system, a maximum progressive rate of 2 is applied to the calculation of retirement benefits according to the length of service, encouraging long-term employment and establishing a virtuous cycle for sustainable growth of the company.

Performance Evaluation and Compensation

Yuhan-Kimberly operates an evaluation system based on experience, collaboration, behavior and performance, so that employees can pursue growth through experiences rather than focusing solely on outcomes. All employees are subject to performance evaluations, which are conducted using assessment methods appropriate to each job category.

Office and sales workers set individual goals at the beginning of each year that are linked to the goals of the entire organization. Progress toward these goals is managed through regular one-on-one communication and feedforward with leaders, as well as a mid-year performance review. Year-end performance evaluations are conducted based on the achievement rate of the goals, and every organization operates a performance evaluation committee (calibration) to enhance fairness and objectivity in the assessment process. The results from the annual evaluation are reflected in performance bonus, salary increases for the following year, promotions and appointment to leadership positions. Production workers set and share line-specific goals at a goal-setting workshop at the beginning of the year and share them. Performance is evaluated at the end of the year, focusing on job function, with the first assessment conducted by the chief engineer and the second assessment by the relevant leader.

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Employee eXperience and Growth | Organizational Culture

Building a Positive and Flexible Organizational Culture

Yuhan-Kimberly has built a horizontal and creative organizational culture based on trust, strengthening organizational capabilities to maintain corporate competitiveness and adapt to changes in a flexible manner. As part of such efforts, we operate a variety of systems for work-life balance and foster an inclusive culture through diversity and inclusion programs, thereby ensuring that no one is left behind and employees can grow together. In addition, we promote a sense of belonging and community among its members through various activities such as family invitation events and employee participation programs.

Corporate Culture Growth TFT

In 2024, Yuhan-Kimberly managed organizational culture-related activities in an integrated manner through the Corporate Culture Growth TFT. As leading by example is essential in creating a positive and flexible organizational culture, the leaders of the TFT was appointed the leaders of relevant organizations. The TFT held regular meetings at least once a month to share the progress and plans of key activities and to discuss how to improve the organizational culture.

Programs for a Positive and Flexible Organizational Culture



Work-life balance

- Flexible work system and recharging vacation
- Maternity protection system



Inclusion and Diversity

- Inclusion & Diversity Council
- K-Win
- Establishment and implementation of gender diversity goals



Fostering a sense of belonging and community

- Family invitation events
- Employee participation programs
- Smart office
- 'Nim' title
- GT project
- Open Management Meeting



Growth

- Strengthening of learning organizations
- Career development plan
- Company-wide mentoring
- Internal job posting / job rotation
- Awards for outstanding employees
- Human resource development

Major Activities and Results of Corporate Culture TFT in 2024

Strategy	Key Activities and Results
Strengthen activities to promote sense of belonging and self-esteem	- Large-scale family visit program (Open Office), with a cumulative total of 142 families and 652 participants: Achieved a 100% satisfaction rate for enhancing sense of belonging and self-esteem - Family-friendly systems and programs - Pride enhancement activities through the Keep Korea Green campaign - Welcome and onboarding activities for new hires through a digital bulletin board to create positive experiences
Raise empathy for organizational culture	- YK Experience Day: Achieved 98% empathy/satisfaction rate - Open Management Meetings at headquarters and plants (January, March, April and October at HQ; February at Kimcheon; May and August at Taejon; September at Choongju)
Establish a growth-oriented organizational culture through leaders' growth and leading by example	- Leader Growth Program: Feedforward and one-on-one conversations - Stronger Mentoring Program: 3rd round (44 mentors, 45 mentees) - I&D Council on various topics such as physical and informational accessibility
Acquire active participation and flexibility	- More voluntary participation in the GT Project: 236 participants - Survey on training needs; three training sessions provided - Communication for manufacturing and production (April-June) / GT Day (June) - Ongoing updates of free external seminars throughout the year

Work-Life Balance

Flexible Work System and Recharging Vacation

Yuhan-Kimberly, under a management philosophy that prioritizes work-life balance, has introduced and implemented a flexible work system and recharging vacations. The flexible work system consists of staggered working hours system, selective work system, recognized work system, and autonomous work system, with each of them flexibly applied according to job characteristics and individual working conditions. In addition, for employees of the headquarters, we announced a total of 23 recharging days for 2025 in advance at the end of the previous year and encouraged all employees, including top executives, to take leave at the same time.

Yuhan-Kimberly's Flexible Work System

Type	Targets	Description
Staggered working hours system	All administration employees (excluding field sales positions)	A system that allows employees to flexibly adjust their time of coming to and leaving office while complying with 8 hours per day and 40 hours per week
Selective work system	Employees who need the system due to their job characteristics	A system that allows flexible operation of working hours per day or per week on the premise of working at least 3 hours per day within the total working hours of a month
Recognized work system	Field sales employees or employees on business trip	A system that assumes an employee works 8 hours a day and 40 hours a week regardless of the time when the employee comes to and leave office, on the premise of working 5 days a week
Autonomous Work System	Work leaders and above	A system that allows an employee to autonomously control his/her working hours of each day on the premise of working 5 days a week

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Employee eXperience and Growth | Organizational Culture

Maternity Protection System

Yuhan-Kimberly operates a variety of programs for both female and male employees that go beyond statutory requirements to provide greater support during childbirth and parenting periods. In addition to legally required systems—reduced working hours during pregnancy, miscarriage and stillbirth leave, maternity leave, prenatal check-up hours, and parental leave—we also offer our own programs, including prenatal leave, childbirth congratulatory money and medical expenses, remote work system and support for children's education expenses. Furthermore, to encourage and celebrate childbirth in an era of low birth rates, Yuhan-Kimberly has held expectant parents meetings which started from the headquarters on Day of Expectant Woman (October 10) of 2009. These meetings have since expanded to all three manufacturing plants and research centers and, as of 2024, are now held on a quarterly basis. Not only pregnant employees but also male employees with pregnant spouses and the leaders of relevant teams are invited to the meetings to celebrate pregnancy and to introduce and encourage the proactive use of the company's childbirth and parenting policies and programs.



2024 Expectant parents meeting

System to Support Pregnancy and Childbirth

Classification	Government Systems and Statutory Requirements	Yuhan-Kimberly's Systems (exceeding legal requirements or conducted on its own)
Marriage	• Subfertility leave / confidentiality obligation (2025)	• Marriage congratulatory money • Subfertility treatment expenses (2025)
Pregnancy	• Miscarriage and stillbirth leave • Prenatal examination time • Reduced work hours during pregnancy • Support for pregnancy and childbirth medical expenses	• Miscarriage and stillbirth leave • Prenatal examination leave • Pre-childbirth leave
Childbirth	• Leave before and after childbirth • Paternity leave • First meeting voucher	• Childbirth medical expenses • Childbirth congratulatory money • Childbirth present
Childcare	• Childcare leave • Reduced work hours during childcare	• Company subsidy for the childcare leave period • Remote work system • Company childcare center (Taejon Plant)
Child's growth (education)	• Parent allowances • Child allowances • Home childcare allowances • Infant & baby care expenses • Baby education expenses (Nuri course) • Elementary/middle/high school tuitions	• Baby education expenses • School entrance congratulatory money • College admission fees and tuitions • School expenses for children with disabilities

Designated as the Supreme Family-Friendly Company

Yuhan-Kimberly enables all employees keep work-life balance through the flexible work system, recharging vacations and maternity protection policies, and is committed to fostering an organizational culture where these systems can be used freely. In recognition of these efforts, Yuhan-Kimberly has been certified as a Family-friendly Company by the Ministry of Gender Equality and Family (MoGEF) from 2008 up to November 2025.* At the most recent recertification, we were designated as the Supreme Family-friendly Company to commemorate the 15th anniversary of the certification system.

* Term of validity: December 2022 to November 2025

In March 2024, the 'Innovation Family,' a group of female public officials in their 20s and 30s from the MoGEF, visited Yuhan-Kimberly's headquarters to experience the company's family-friendly policies and best practices in organizational culture. They also explored how to expand these practices within government policies and the public sector, further highlighting Yuhan-Kimberly's reputation as a leading Family-friendly Company.

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Employee eXperience and Growth | Organizational Culture

Employee Programs to Enhance Sense of Belonging and Ties

Employee Family Invitation Program

Since 2023, Yuhan-Kimberly has operated an 'Employee Family Invitation Program' on a monthly basis to foster a family-friendly organizational culture. In response to the high interest and satisfaction, the program was expanded to include two formats in 2024: Private Office and Open Office. The Private Office is driven by employees themselves, allowing them to invite their families to the company to personally introduce the company and provide an office tour. The Open Office, introduced in 2024, enables multiple families to visit the workplace at the same time, providing office tours, introduction to new products, and commemorative photo sessions. As of 2024, a cumulative total of 142 families and 652 employees and family members have participated in the program, achieving a 100% satisfaction rate among all participants.



2024 Employee Family Invitation Program

Employee Engagement Program for Positive Experiences

Yuhan-Kimberly operates a variety of employee engagement programs to create an organizational culture where employees can enjoy and immerse themselves in their work. In 2024, these programs included YK Experience Day where employees could try out new products launched in the first half of the year and share key company information, Office Clean Day where employees tidy up the office environment together and the YK Thank-You Mailbox which encourages employees to send handwritten notes of appreciation to colleagues and families. YK Experience Day, in particular, recorded a high satisfaction rate of 98%. In addition, we actively encourage our employees to take part in internal club activities, making a positive impact on employee motivation, personal development, team bonding and internal networking. Currently, there are 49 company-wide clubs, including those for soccer, basketball, tennis, bowling, hiking, fishing, religion, music, photography, reading and volunteering, with a total of 2,723 employees (including those participating in multiple clubs) actively involved.

Inclusion and Diversity

Yuhan-Kimberly has declared its commitment to growing together while respecting diversity and inclusion based on responsibility and collaboration, two of the company's four core values. To this end, we established the I&D Declaration in 2021, emphasizing that inclusion and diversity are at the core of our corporate competitiveness, and have been making company-wide efforts centered on four key areas: culture, system, CSR and business. These efforts have been recognized by outside experts as well, with Yuhan-Kimberly's inclusion and diversity activities featured as a best practice in the DE&I Report 2024 published by the Korea Foundation for Women in Science, Engineering and Technology (WISET).

Yuhan-Kimberly's Major Activities in Four Areas for Inclusion and Diversity

Four Areas	Major Activities
Culture	- Launched and operated the Inclusion & Diversity Council (2021 to present) - Operated K-WIN, a voluntary network to foster female talent (2014 to present) - Operated the prospective parent meeting / contactless corporate culture meeting, etc. (2009 to present)
System	- Programs to set female leader goals and enhance female leadership - Participated in the UNGC TGE Initiative - DEI regular training: Inclusion day, leader inclusion training - Flexible work system, remote work system, family care leave, maternity protection space, health checkups for employees in their 20s, etc. - Certified as the Supreme Family-friendly Company (first certified company in December 2008)
CSR	- Improved the quality of life of vulnerable groups: product donation (sanitary pads, diapers, etc.) - Programs to raise awareness (newlywed school, menstruation education program) - Female NGO leadership scholarship project, Future Forum 30% Club (securing female senior leadership) - Donation programs for employees (female, senior)
Link to Business	- Developed products for socially vulnerable groups (ultrasmall diapers for preemies, First-time Sanitary Panties for women with developmental disabilities, braille packaging for feminine care products) - Consumer engagement and social impact good brand activities

Yuhan-Kimberly's Declaration of Support for Enhancing Inclusion and Diversity Capabilities

Yuhan-Kimberly's 2021 DECLARATION OF SUPPORT
for Enhancing Inclusion and Diversity Capabilities

We declare that inclusion and diversity are Yuhan-Kimberly's fundamental competitiveness and responsibility to implement. To this end, we strive as below to create an organization and corporate culture that promotes inclusion and diversity.

1. We distinguish between difference and wrongness.
2. We respect each other as equal partners of collaboration beyond gender, generation and position.
3. We cooperate in detecting and reducing various prejudices and discrimination within us.
4. We take the lead in enhancing a sense of belonging and inclusion.
5. We contribute to securing the diversity of the organization.

October 20, 2021
Members of Yuhan-Kimberly's 1st I&D Council

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Employee eXperience and Growth | Organizational Culture

Launch of the 3rd Inclusion & Diversity Council

Yuhan-Kimberly's Inclusion & Diversity Council was established through a company-wide voluntary application process in 2021. After its 2nd term in 2022-2023, the Council is now in its 3rd term for 2024-2025, consisting of 23 members and 3 sponsors. The primary goal of the 3rd term is to recognize and reduce bias and discrimination, which is the third item in the Declaration of Support. The Council aims to understand employees' cognitive diversity and raise awareness through surveys and interviews about moments when employees feel they are a minority. The findings are compiled into a minority report to help improve internal awareness. The Council is also examining how to strengthen inclusion capabilities and link these capabilities to business practices, in an effort to to enhance the company's overall inclusivity through an organizational culture that respects diverse perspectives.

As part of the Council activities in 2024, it invited YG Entertainment to deliver an external lecture. This lecture addressed various cases of improving accessibility based on experiences of communicating with diverse cultures and fans, providing employees with an opportunity to recognize the importance of different perspectives and gain new insights.



3rd Term of the Inclusion & Diversity Council in 2024



External Lectures on Inclusion and Diversity in 2024

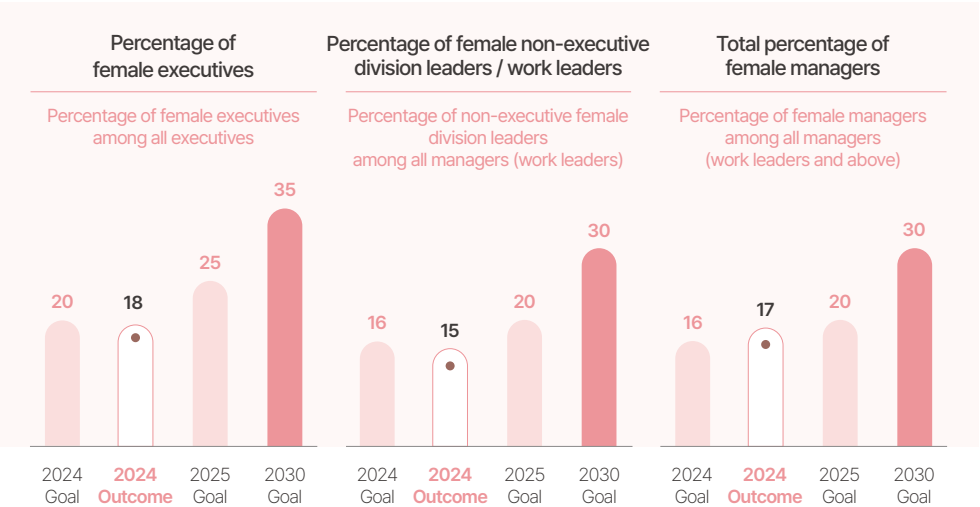
K-WIN, Voluntary Network to Nurture Female Talent

K-WIN (Korea Women's Interactive Network), a women's voluntary network in Yuhan-Kimberly, has contributed to the career development of female employees and the company's sustainable growth through various activities since its launch in 2014. In 2024, to mark the International Women's Day on March 8, K-WIN introduced the meaning of the day on the intranet and held an event where employees shared their thoughts in response to the question of 'What is needed for diversity and inclusion at YK?', generating practical ideas for a more inclusive organizational culture. Furthermore, as part of K-WIN activities, four female employees attended the 31st Next Generation Women Leaders Conference hosted by WIN (Women in Innovation). The Conference focused on leadership strategies for turning internal organizational conflicts into opportunities for growth, and the attendees had valuable learning opportunities through exchanges with female leaders from a wide range of industries, broadening their perspectives on leadership and its practical application.

Establishment of Gender Diversity Goals

To increase gender diversity in executive and leadership roles, Yuhan-Kimberly has set goals to achieve 30% female managers and 35% female executives by 2030. Progress toward these goals is reviewed on an annual basis and reported regularly to the Board of Directors. As of 2024, women make up approximately 22% of Yuhan-Kimberly's workforce, with female executives (director level and above) accounting for about 18%. By achieving the 2030 goals, Yuhan-Kimberly aims to further build its capacity for inclusion and to internalize a culture of diversity throughout the company.

Gender Diversity Goals and Results



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Labor-Management Cooperation

Sustainable Labor-Management Culture Built on Communication and Cooperation

Communication and harmony between labor and management enhance organizational efficiency and safety while contributing to prevention of conflicts and increase in productivity. Yuhan-Kimberly has established its labor-management strategy with the goal of “joint realization of consumer values, company values and employee value.” Consumer value refers to increasing consumer value in use, company value refers to sustainable growth, and employee value refers to an increase in employees’ quality of life. To achieve these goals, Yuhan-Kimberly guarantees the employees’ right to unionize, collective bargaining and collective action in compliance with the Constitution and labor laws. We also operate both consultation bodies required by law and voluntary communication channels beyond the statutory requirements to collect diverse opinions.

Labor-Management Communication Channels

Labor-Management Council

Yuhan-Kimberly operates a Central Labor-Management Council and Labor-Management Councils for each plant to facilitate regular communications between labor and management. The Central Labor-Management Council, attended by the CEO and union representatives, discusses and decides on business status, growth strategies and major labor-related issues. At the Labor-Management Council for each plant, the plant manager and employee representatives from Kimcheon, Taejon, and Choongju Plants discuss practical matters related to plant operations, such as improvement of working conditions and promotion of employee welfare. In 2024, both the Central Labor-Management Council and Labor-Management Council for each plant were convened every quarter, i.e., four times in total, to discuss the company's key policies and the direction for labor-management cooperation.

Labor-Management Grand Discussions

The Labor-Management Grand Discussion is attended by around 60 participants including the CEO, key employees and the labor union president. They engage in direct communication about the company's management status and growth directions, while jointly discussing strategies for sustainable growth and responses to external challenges. Two discussions were held in 2024, and in December, the theme focused on ‘Safety, Mutual Growth of Labor-Management, and Social Value’. In 2025, the outcomes of these discussions will be further developed and implemented as concrete action items.

Grievance Handling Committee

The Grievance Handling Committee is a forum for addressing various grievances arising at the plants and discussing solutions to improve working conditions and boost morale. The Committee is attended by union representatives, the Labor-Management Division leader, the EX Function leader and labor-management officer as representatives of the company. In 2024, the Committee was held on a quarterly basis—four times in total—at each plant.

Shared Growth with Local Communities through the Shared Growth Practice Fund

Yuhan-Kimberly's Shared Growth Practice Fund is part of its social contribution activity jointly operated by labor and management to support vulnerable groups in the local community. The Fund was created as the labor union first raised funds to help children from low-income families in local communities, and the company empathized with the purpose and contributed additional funds. In 2024, Yuhan-Kimberly continued various activities to support the local communities through the Shared Growth Practice Fund. We donated KRW 10 million to the city of Taejon, which was used to help elderly people in need in Taejon get through the winter, support the Happy House free meal center and provide side dishes to elderly veterans. In addition, to mark the Day of Persons with Disabilities, we donated KRW 2 million the Daedeok District Disabled Welfare Center in Taejon, supporting activities to protect the safety and welfare of people with disabilities. Yuhan-Kimberly is committed to promoting activities for mutual growth with local communities jointly led by labor and management.



2024 Yuhan-Kimberly Labor-Management Shared Growth Fund Donation Ceremony

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Labor-Management Cooperation

Joint Labor-Management Activities for Occupational Safety and Hygiene

Occupational Safety and Hygiene Committee

Yuhan-Kimberly is committed to protecting the safety and health of employees through the labor-management cooperation. The Occupational Safety and Hygiene Committees are operated on a quarterly basis at each of the three manufacturing plants, and these Committees, in accordance with the Occupational Safety and Health Act and related regulations, inspect and monitor safety and health conditions at each plant. In 2024, a total of four Committee meetings were held at each of the Kimcheon, Taejon, and Choongju Plants.

Occupational Safety and Hygiene Committee in 2024

Plant	Committee Composition (Members from Management/Labor)	Production Workers / Total Workers	Major Agenda
Kimcheon Plant	10/10	228/355	• Directions on wearing personal protective equipment (safety shoes, safety glasses, light-duty helmets) • Implementation of safety suggestion schemes • Work environment measurement results and health promotion outcomes • 2024 Outstanding Safety Personnel Awards
Taejon Plant	10/9	232/329	• Directions on wearing personal protective equipment (safety shoes, safety glasses, light-duty helmets) • Progress of employee health programs • Discussions on improving the People Centered Safety (PCS) programs • 2024 Outstanding Safety Personnel Awards
Choongju Plant	9/9	139/217	• Directions on wearing personal protective equipment (safety shoes, safety glasses, light-duty helmets) • Progress of health promotion programs • Work environment measurement results and health promotion outcomes • Discussion on how to improve material stacking • Quarterly Outstanding Safety Personnel Awards

Risk Assessment Conducted by Labor-Management Collaboration

Yuhan-Kimberly identifies potential risk factors and implements improvement measures in the integrated weekly safety inspection process conducted jointly by labor and management. In particular, the risk assessment, which is conducted once a year, is performed with employees’ participation and therefore, employees themselves identify harmful risk factors at their business sites.

Risk Identification and Remediation through Labor-Management Activities in 2024

Classification	Kimcheon Plant	Taejon Plant	Choongju Plant
Identified (No. of cases)	144	132	110
Remediated (No. of cases)	134	129	102
Remediation rate (%)	93	98	93

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Human Rights Management

Foundation for Promoting a Culture of Respect for Human Rights

Human Rights Management Declaration

Yuhan-Kimberly is committed to protecting the human rights of all stakeholders, including employees, suppliers, consumers and local communities and to fulfilling its social responsibilities throughout the value chain and throughout its overall business activities. In March 2022, we established the 8 Principles of Human Rights Management based on internationally adopted human rights standards and principles, including the UN Guiding Principles on Business and Human Rights, 10 Principles of the UN Global Compact (UNGC), and the UN Universal Declaration of Human Rights, and disclosed the Human Rights Management Declaration on our intranet and website.

8 Principles of Human Rights Management

1

We support and respect the protection of human rights declared nationally and internationally.

2

We prioritize safety and hygiene as the primary tasks for respecting human rights when making policies.

3

We comply with labor laws and ensure the freedom of association and the right to collective bargaining.

4

We prohibit discrimination, harassment, forced labor, and child labor in all areas of employment and business activities.

5

We take responsibility for human rights issues in our supply chain and strive to prevent adverse impacts on human rights.

6

We respect local community cultures, collaborate on activities to improve the quality of life and protect human rights, and honor local residents' land and property rights.

7

We undertake continuous technological development and take corrective actions to protect consumer rights.

8

We support preventative approach to earth environment issues including climate crisis, taking the lead in environment-related human rights protection.

 Yuhan-Kimberly's Human Rights Management Declaration

Human Rights Risk Management

Human Rights Risk Assessment and Education for All Employees

Yuhan-Kimberly conducts the myVOICE satisfaction survey every year for all employees, in order to assess human rights factors such as compliance with statutory working hours and prohibition of forced labor and identify potential risks. If a human rights risk is detected, we establish mitigation measures through the company-wide Employment Security and Grievance Handling Committee, which meets on a quarterly basis. The response rate of the 2024 myVOICE survey was 89% with an employee engagement scoring 72. Based on the key indicators, Yuhan-Kimberly develops and implements improvement plans to build an organizational culture where employees respect each other. Furthermore, each plant operates a Labor-Management Council and Grievance Handling Committee on a quarterly basis to continually monitor grievances and human rights issues of each business site and to promptly take necessary actions when issues arise. The EX Function and the Legal & Compliance Division provide human rights education to prevent human rights risks and to internalize a culture of respect for human rights throughout the organization. In 2024, all employees completed mandatory education programs, including education on sexual harassment prevention, understanding disabilities and workplace bullying prevention.

Human Rights Risks Assessment of Suppliers

Yuhan-Kimberly conducts an annual Supplier Assessment Tool (SAT) for key suppliers, which includes human rights-related criteria. In 2024, 63 suppliers were assessed. As for new suppliers of raw materials, products and toll processing, 6 to 10 companies are selected each year for evaluation under the global Supply Chain Human Rights (SCHR) program of our shareholder, Kimberly-Clark which assesses compliance with major human rights requirements such as prohibition of child labor, forced labor and discrimination, and safety and hygiene of plants, etc. If any violations are found, a Corrective Action Plan (CAP) is established, including investments in infrastructure, equipment and training, improvements in policies and procedures, and actions for remedying affected workers; change of suppliers may also be arranged if necessary. In 2024, the SCHR assessments were conducted for 6 suppliers, and after each assessment, we provided the relevant suppliers with the SCHR report. The suppliers to develop and implement a Corrective Action Plan based on the findings.

Organization Implementing Human Rights Management

To more effectively respond to changes in human rights-related external policies and guidelines and stakeholder demands, Yuhan-Kimberly operates a human rights organization comprised of the CEO, ESG Committee and Society Subcommittee. We continually review and update our human rights-related procedures and relevant internal regulations.

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Human Rights Management

Handling of Grievances Related to Human Rights

Yuhan-Kimberly operates a variety of reporting channels and handling processes to ensure prompt and fair responses to human rights violations and grievances. Employees can submit an anonymous report 24/7 through the hotline and toEX. The hotline is managed by an external organization to ensure independence in grievance handling, and reports are escalated to internal management depending on the severity of the issue. In addition, there is a separate channel where suppliers can report unfair trade practices, while all stakeholders—including consumers—can submit inquiries about the company and products through the official website.

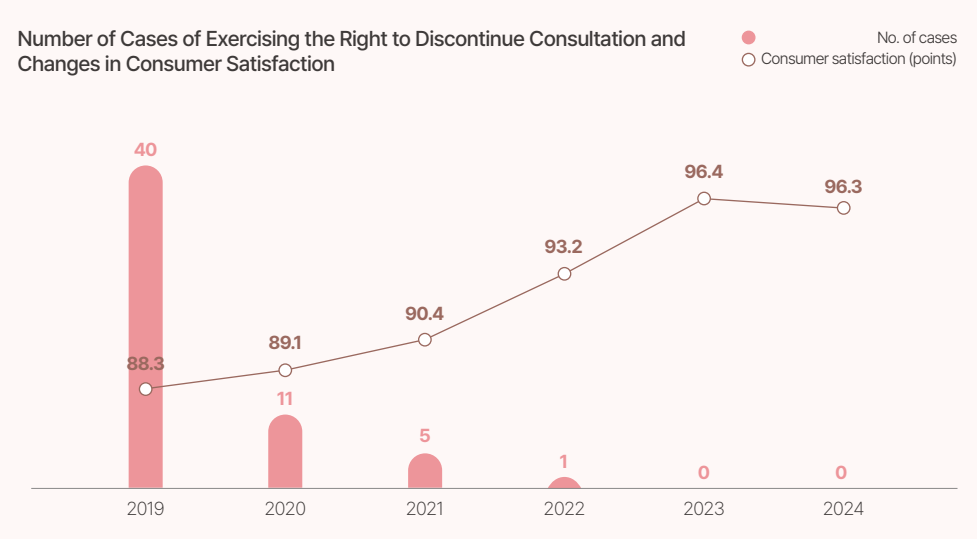
Code of Conduct Reporting and Grievance Handling Channels

Channel Name	Major Issues	Target
Hotline	Actions or activities that violate the Code of Conduct and respect for human rights	Employees
toEX	Questions about systems and operations that are difficult to ask publicly to EX	Employees
Unfair trade reporting center	Reports related to unfair trade practices	Suppliers
Yuhan-Kimberly website	Inquiries regarding the company/products in general	All stakeholders

Protection of Human Rights of Consumer Service Representatives

Yuhan-Kimberly announced its Declaration on Emotional Laborers’ Human Rights Protection Policy in 2018 and has since strengthened related systems and safeguards for consumer service representatives. In January 2023, to enhance the effectiveness of the ‘right to discontinue consultation’ in cases of sexual harassment, insults, abusive language, verbal abuse or threats, we revised the procedure for immediate suspension of consultation from ‘service suspension after three warnings’ to ‘immediate suspension after one warning.’ In addition, various institutional measures are in place to protect the human rights and health of the consumer service representatives, e.g., break times and the implementation of remote work. Furthermore, we continue to send a clear message that Yuhan-Kimberly is committed to protecting its consumer service representatives through various activities including the announcement of ‘6 key principles’ and poster campaigns. As a result of these efforts, there have been zero actual cases of service suspension both in 2023 and in 2024. Service quality has improved and consumer satisfaction has continued to rise, reflecting ongoing positive trends.

Declaration on Emotional Laborers’ Human Rights Protection Policy



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Safety & Hygiene

Management System for Safe Plants

Yuhan-Kimberly places the safety and health of employees as its top priority and is strengthening company-wide safety & hygiene management with the goal of achieving zero serious accidents. In particular, by faithfully implementing Kimberly-Clark’s EHS (Environment, Health and Safety Maturity System) standards—which include the international safety and health management system ISO 45001—we have established a systematic foundation for safety hygiene management.

In addition, in order to prevent accidents, illnesses and serious incidents among all stakeholders—including our employees and employees of our suppliers—we have established and publicly disclosed its safety & hygiene management policy and three main duties for safety & hygiene on its website, with the appropriateness of these policies regularly evaluated and updated. Based on these policies, Yuhan-Kimberly has established three key strategies: fostering a participatory safety and hygiene culture, strengthening the capabilities of safety and hygiene organizations and establishing a proactive risk prevention system at plants. In 2024, 10 safety and hygiene programs were operated in line with these strategies.

Yuhan-Kimberly’s safety & hygiene management policy

Yuhan-Kimberly’s 3 Strategies and Programs for Safety and Hygiene

3 Strategies	Programs in 2024
Fostering a participatory safety and hygiene culture	PCS (People Centered Safety) activities for all employees
	Emergency crisis response drills
	Improvement of MBC* leadership curriculum *Mindset & Behavior, Capability
	Office EHS champions
Strengthening the capabilities of safety and hygiene organizations	Semi-annual review and participation for Serious Accident Punishment Act
	More engagement with external workers
	Safety learning organizations for engineers
Establishing a proactive risk prevention system	Risk assessment where all employees participate
	Evaluation and selection of qualified suppliers
	Provision of mandatory safety and hygiene education

2024 Safety and Hygiene Performance and Goals

In 2024, Yuhan-Kimberly operated its business without any violations of regulations on safety and hygiene while nine accidents occurred during the year. Seven of them involved our employees and two involved our suppliers, and there were no cases classified as occupational accidents among the employee-related ones. For every accident that occurred, a prompt root cause analysis was conducted and measures were immediately implemented to prevent recurrence. In 2025, Yuhan-Kimberly plans to further strengthen this management system, continue to achieve 100% compliance with safety and hygiene regulations and expand prevention activities to achieve zero serious accidents.

Safety & Hygiene Management Committee

The Safety & Hygiene Management Committee, first established in 2022, is composed of the CEO and the executives in charge of safety and hygiene (safety and hygiene officers). In 2024, the Committee was convened three times. Its roles include strengthening company-wide safety and hygiene management, sharing key domestic and international safety and hygiene issues and reviewing safety and hygiene plans before submission to the Board of Directors. The Committee also receives semi-annual reports from the Safety & Hygiene Division regarding compliance with relevant laws and regulations. Key agenda items in 2024 included results of safety inspection of our plants, response to serious civic accidents, status of domestic industrial accidents and best practices from other companies, all of which were shared and approved by the Committee.

Organization to Implement Safety & Hygiene Management

Safety & Hygiene Division

The Safety & Hygiene Division oversees safety and hygiene management across the entire company. For each plant, it conducts semi-annual reviews of compliance with the Serious Accident Punishment Act and related safety and hygiene regulations, and reports the results to the Safety & Hygiene Management Committee.

Organization for Safety & Hygiene Management



Core Value of Safety & Hygiene



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Safety & Hygiene

Inspection on Compliance with Laws and Regulations on Safety & Hygiene

Management to Prevent Serious Industrial Accidents

In accordance with the Serious Accident Punishment Act, Yuhan-Kimberly inspects its company-wide safety and hygiene management system semi-annually (twice a year) to prevent serious accidents among its and suppliers’ employees. The Safety & Hygiene Division reviews self-assessment materials and interviews submitted by Kimcheon, Taejon, and Choongju Plants to check on the status of their safety and hygiene activities, and when necessary, carries out on-site inspections to directly verify the fulfillment of safety and hygiene obligations.

In 2024, Yuhan-Kimberly conducted inspections of safety and hygiene management system for the headquarters, the three manufacturing plants, one R&E Center, the logistics center and the Procurement Division based on the self-checklist provided by the Ministry of Employment and Labor (149 items). The results of the inspections showed that all Yuhan-Kimberly facilities not only meet legal requirements but also reach an even higher level of safety and hygiene management. Best practices identified during the inspections are shared and implemented across other plants, while areas in need of improvement are continuously enhanced through mutual benchmarking.

Items and Targets of 2024 Semi-Annual Inspection for Serious Industrial Accidents

Inspection items

Manager's leadership

Employee participation

Risk factor identification

Elimination, replacement and control of risk

Establishment of emergency action plan

Ensuring safety & hygiene in subcontracting and outsourcing

Assessment and improvement

Measures to fulfill statutory obligations

Provision of safety & hygiene education

Targets

Headquarters

3 manufacturing plant

1 R&E center

Logistics centers

Inspections to Prevent Serious Civic Accidents

As part of efforts to prevent serious civic accidents, Yuhan-Kimberly conducts inspections of whether manufacturing plants and suppliers comply with legal obligations at least semi-annually. In the second half of 2024, inspections were conducted on the three manufacturing plants and 53 suppliers, covering ten categories such as mandatory training, personnel, facilities and equipment, quality control, labeling and recall procedures. Any deficiencies identified were immediately addressed on-site to ensure full compliance with safety and hygiene obligations. In particular, Kimcheon, Taejon, and Choongju Plants conducted cross-inspections among themselves and promptly took corrective actions for any issues found.

Items and Targets of 2024 Semi-Annual Inspection for Serious Civic Accidents

Inspection items

Mandatory education

Facilities and equipment

Licensing/ Certification/ Registration

Reporting (performance, raw materials)

Recall

Personnel

Quality Control

Labeling

Reporting stability information

Targets

3 manufacturing plant

53 suppliers

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Safety & Hygiene

Hygiene and Safety Self-Inspection

In addition to mandatory safety and hygiene inspections required under the Serious Accident Punishment Act and related regulations, Yuhan-Kimberly also conducts voluntary inspections to meet global standards and strengthen internal controls.

Co-Learn Assessment

The Co-Learn Assessment is an initiative where Kimberly-Clark's plants in the Asia-Pacific (APAC) region pay mutual visits to review and learn each other's safety and hygiene culture. The program diagnoses the status of each plant's safety and hygiene management from multiple perspectives through employee surveys and interviews, on-site observations and participation in safety-related meetings. Best practices are shared with other plants, and areas in need of improvement are included in a final report and reflected in efforts to enhance each plant's safety culture. The program is conducted once every three years, starting with Kimcheon Plant in 2022 and implemented at Choongju Plant in 2024.

Global EHS Risk & Compliance Audit

The Global EHS Risk & Compliance Audit is a comprehensive safety and hygiene diagnosis program conducted every three years with the participation of Kimberly-Clark's global safety and hygiene team and external experts. The audit evaluates all procedures and safety & hygiene management systems in operation at each plant, comprehensively assessing compliance with safety & hygiene standards and relevant regulations. The scope and depth of the audit are adjusted according to each plant's risk level, ensuring an optimized diagnosis for every business site. The results are compiled into a report—including information on maturity levels—which is used to systematically enhance safety and hygiene management. In 2021, the audit was conducted at Taejon Plant, and in 2024, it was carried out at Kimcheon and Taejon Plants.

Global Internal Audit

The Global Internal Audit is an annual audit program conducted for selected countries and plants each year by Kimberly-Clark's global internal control team. It evaluates key operating processes, including safety and hygiene, HR, supply chain and finance, and grants ratings according to risk level. The results are compiled into comprehensive reports and provided to each plant. The audit was conducted for Kimcheon Plant in 2022 and Taejon Plant and Choongju Plant in 2024.

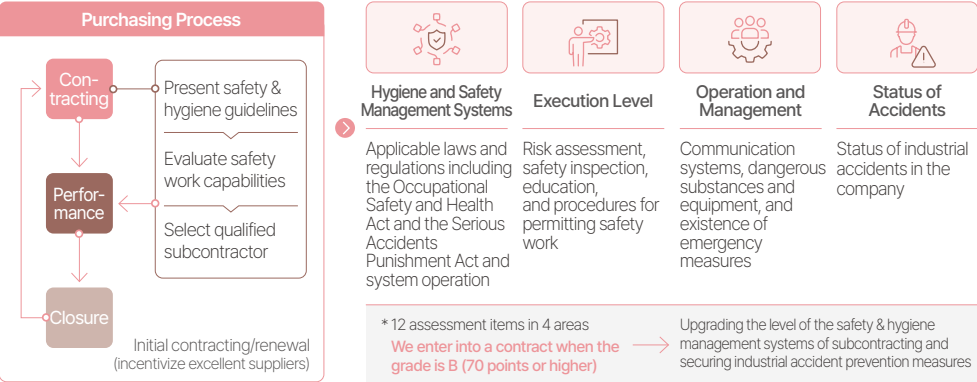
Safety Cross Audit

Yuhan-Kimberly conducts a safety cross audit to identify safety hazards, check compliance with Kimberly-Clark's safety & hygiene standards and domestic regulations and promote the mutual benchmarking of best practices. These audits involve dedicated teams composed of safety & hygiene managers from each plant and the Safety & Hygiene Division, who conduct direct walkthroughs of manufacturing sites to assess whether standards and procedures based on Kimberly-Clark's and local safety and hygiene laws are being complied with. A total of 18 items are assessed according to five criteria, identifying potential non-compliance issues and uncovering best practices to be shared throughout the company. In the 2024 audits, best practices were identified at Choongju Plant—including the sharing of the safety management policy, safety and hygiene objectives management and safety pledge signings—while at Taejon Plant, improvements were found in the form of advanced risk assessments and the operation of emergency response action manuals.

Hygiene and Safety Risk Management for Suppliers

In accordance with the Serious Accidents Punishment Act and other applicable laws, Yuhan-Kimberly assess the ability and technical level of its suppliers to prevent industrial accidents in advance when it executes agreements for subcontracting or outsourcing. Before signing agreements with a supplier, the procurement team and safety personnel at each plant review the supplier's capabilities and technical level through 12 items in four areas related to safety and hygiene, and decide whether or not to proceed with the contract based on the results. The agreement is executed only if the evaluation score is 80 or above, while those scoring between 70 and 79 points are subject to further review. Suppliers that achieve a score of 90 or above are given incentives. In addition, Yuhan-Kimberly conducts an annual Supplier Assessment Tool (SAT) for key suppliers, evaluating a total of ten safety and hygiene items to assess their current status and perform pre-screening to prevent potential risks, followed by corrective actions as needed. The assessment tool covers the entire safety and hygiene management system of suppliers, including their safety and hygiene regulations, implementation of training and management of external workers and visitors.

Yuhan-Kimberly's Procedures for Evaluating Qualified Subcontractors



Yuhan-Kimberly's Items for Evaluating Qualified Subcontractors

Area	Items of Evaluation	Area	Items of Evaluation
Safety & Hygiene Management System	General principles	Operation and Management	Communication systems
	Establishment of plans		Dangerous substances and equipment
	Implementation and responsibility		Emergency measures
	Risk assessment	Status of Accidents	Status of industrial accidents
	Safety inspection		
Execution Level	Confirmation of implementation		
	Education and recording		
	Permission of safety work		

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Safety & Hygiene

Spread of Safety Culture with Employee Engagement

People Centered Safety (PCS) Observations

Yuhan-Kimberly conducts the behavioral safety monitoring program for all employees of manufacturing sites to eliminate unsafe behaviors and practices that are one of the main causes of accidents. The PCS program involves both workers and observers monitoring each other's work and exchanging feedback, contributing to the establishment of a caring culture and people-centered safety processes on site. In 2024, we planned to achieve an average of 2 observations per observer per month and increase the observer participation rate to 85%. The results exceeded expectations, with an average of 2.8 observations per observer per month and an overall participation rate of 92.9%.

Crisis Response Emergency Drills

Yuhan-Kimberly conducts emergency response drills for all employees twice a year, applying new crisis response scenarios each year. Each plant has its own emergency response manual, which addresses procedures for handling incidents, reporting systems, emergency contact lists, evacuation routes and task assignments. In 2024, Taejon Plant conducted firefighting evacuation drills and confined space response training. Choongju Plant carried out emergency evacuation drills and joint firefighting drills with the Choongju Fire Department. Kimcheon Plant held emergency drills in preparation for chemical spills and evacuation drills in collaboration with the 119 Center.

Spreading the Culture of Wearing Protective Gear

To ensure worker safety and promote a culture of wearing personal protective equipment, Yuhan-Kimberly developed stricter policies on protective gears for Kimcheon, Taejon, and Choongju Plants through discussions in the Safety & Hygiene Management Committee. Kimcheon Plant decided to obligate the workers operating machines to wear safety glasses and lightweight safety helmets, while at Taejon Plant and Choongju Plant, the use protective gears is tailored to specific work environment based on the results of risk assessments. Accordingly, all three plants systematically implement a step-by-step process—establishing plans on the use of protective gears, selecting and purchasing protective gears, promoting and distributing the gears, mandating its use for all employees and evaluating the employees’ compliance status. These measures contribute to establishment of a worker-driven culture of wearing protective gears.

Promotion of Employee Health and Prevention of Occupational Illnesses

Yuhan-Kimberly operates various health management activities to protect the physical and mental health of its employees. In addition to general health check-ups for all employees, we conduct additional examinations for those who have a risk of being exposed to hazardous substances, while making continuous efforts to prevent and manage musculoskeletal disorders. Since 2002, Yuhan-Kimberly supports overall health promotion through diverse health management activities at each plant including the psychological counseling programs (EAP) which have been provided since 2002.

Healthcare Activities at Each Plant in 2024

Plant	Activity
Kimcheon Plant	10,000 Steps Walking Program
	Health behavior Monitoring
	EAP Happiness Program
Taejon Plant	2024 Walking Challenge
	First Aid Training
	Musculoskeletal Pain Prevention Program
Choongju Plant	2024 Health Promotion Program – Diet Fund

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Product Safety and Quality

Product Safety Management System

Yuhan-Kimberly aims to realize ‘quality that gives comfort to consumers,’ designing all products to exceed legal safety requirements and satisfy social expectations. To achieve this, we conduct internal preliminary safety reviews as well as expert verification through Kimberly-Clark’s Global Product Safety assessment.

In order to prevent serious civic accidents, Yuhan-Kimberly check legal compliance at least semi-annually across eight product categories: quasi-drugs, medical devices, cosmetic products, sanitary supplies, food appliances, household chemicals, children’s products, and industrial safety supplies. For outsourced products, we also take a proactive approach to strengthening supplier management responsibility by conducting legal compliance reviews prior to product launch. This product safety management system consists of four steps and is established as a formal product safety policy, which is transparently disclosed on the official website. In addition, the manufacturing plants in Kimcheon, Taejon and Choongju have all obtained ISO 9001 (Quality Management System) certification¹⁾ by meeting international quality management standards, and in 2024, they maintained an excellent product safety and quality management system with zero product safety incidents.

1) Valid from February 2023 to February 2026

Product Safety Policy

Step-by-Step product safety Assurance

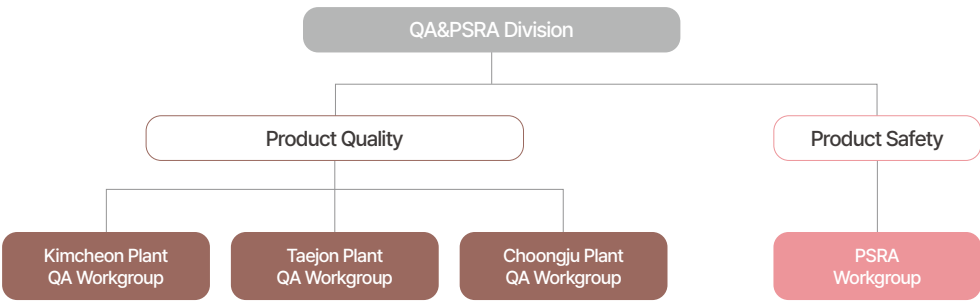
1	2	3	4
Development	Production	Consumer Use	Safety Monitoring
- Restrict the use of substances of safety concern - Use raw materials proven to be safe - Operate an integrated pre-inspection process for new products - Prohibit animal testing	- Maintained ISO 9001 - Acquired GMP for quasi-drugs (sanitary pads, tampons) - Conduct QA activities and continuously improve the quality of internally produced and outsourced products - Pre-release conformity testing	- Manage safety after product launch - Collect consumer complaint information - Preemptive prevention system	- Monitor the safety of products in distribution - Report safety information of the cases of hazards

Organizations for Product Safety

Yuhan-Kimberly’s QA & PSRA Division²⁾ is responsible for product quality and safety and, as of 2025, consists of four workgroups. The three quality control workgroups for each manufacturing plant thoroughly oversee the quality of products produced at their respective plants. The PSRA workgroup, which is responsible for product compliance and safety, carries out activities to enhance internal understanding and ensure proactive response among related departments, including R&E, marketing, quality, environmental management and communications. As part of such activities, it sends ‘product safety newsletter’ on the first day of every month, while monitoring domestic and international product safety issues and sharing them on a regular basis.

2) QA: Quality Assurance; PSRA: Product Safety Regulatory Affairs

Product Safety and Quality Management Organizational Chart



People: Our Strength and Source of Hope

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Product Safety and Quality

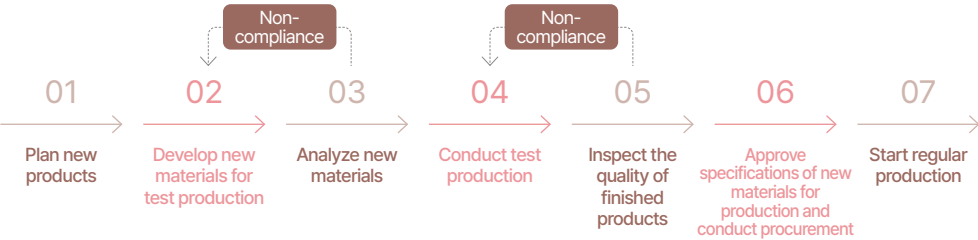
Safety Management in Product Development

From the stage of product development, Yuhan-Kimberly operates a pre-assessment system for both raw materials and finished products to ensure safety. We voluntarily restrict the use of substances for which safety concerns have been raised and have preemptively manage the safety of raw materials by establishing the safety standards (17 items) that are stricter than legal requirements. New raw materials are thoroughly examined through a pre-verification process before regular production begins. Yuhan-Kimberly transparently discloses information on 190 chemicals of concern on the company website and conducts safety monitoring at least once a year based on the latest domestic and international regulatory trends and consumer issues, taking necessary actions accordingly.

Based on these verified safe raw materials, new products are designed with comprehensive consideration for product safety, regulatory compliance and potential social issues. In 2024, we completed a total of 2,091 pre-verifications—203 for product safety, 749 for regulatory compliance and 1,139 for labeling and advertising.

190 chemicals of concern

Preliminary Raw Materials Verification System



Characteristics of Chemicals of Concern Subject to Our Voluntarily Restriction of Use	
1	Materials that are regulated abroad or have movements to toward stricter regulation
2	Materials that raise potential safety concerns among consumers
3	Materials that recent researches identified as posting safety risks
4	Materials with insufficient safety information

Prohibition of Animal Testing

Globally, there is growing interest in animal testing in the FMCG¹⁾, household, and personal care product groups. To preemptively respond to this trend, Yuhan-Kimberly, in collaboration with its shareholder, Kimberly-Clark, is adopting alternative testing methods and striving to eliminate animal testing. Except in cases where testing is legally required to ensure human safety or where no viable alternatives exist, we adhere to the principle of not conducting animal testing on its products or ingredients.

1) An acronym for Fast-Moving Consumer Goods, which refers to consumer goods that are consumed quickly and purchased frequently.

Managing Safety in Production

With the expansion of its production scale, Yuhan-Kimberly is increasingly relying on outsourced products. Accordingly, we have established a dual-track strategy for quality management—one for in-house produced products and another for externally manufactured ones. Through systematic analysis and improvement of consumer complaints, Yuhan-Kimberly has enhanced quality from the consumers' perspective. The introduction of a digital-based quality management system (Quality Digitalization) has improved both operational efficiency and accuracy. Furthermore, we have enhanced our Quality Management System (QMS) in order to ensure product quality that exceeds legal requirements.

With respect to the quality of externally manufactured products, we focus on blocking risks at the early stage (upstream), with the goal of achieving the same level of quality as in-house production through enhanced supplier quality capabilities and synergies based on ECM²⁾/SQM³⁾ principles. To this end, Yuhan-Kimberly holds regular meetings and periodic on-site inspections with key suppliers and strategically implements preventive activities, such as providing safety and quality education videos and practical training sessions.

Pre-Release Conformity Testing

To ensure quality, regulatory compliance, safety and effectiveness before product release, Yuhan-Kimberly classifies its products as high-risk, medium-risk, and low-risk and operates a step-by-step verification system accordingly. For high-risk products, a preliminary review is conducted through design change management while medium- and low-risk products go through a standardized process where pre-release conformity is verified and advertising is reviewed and approved by the Product Compliance Committee (PCC). In 2024, the scope of design change management was extended to cover medium-risk products, and as a result, in the course of pre-release verification, 10 products were subject to design change management and 32 products were subject to PCC review.

2) External Contract Manufacturing

3) Service Quality Management

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Product Safety and Quality

Safety Management in Consumer Use

Collecting and Managing Information on Consumer Complaints

Yuhan-Kimberly collects, analyzes and manages consumer feedback through multiple channels. We have set the Consumer Complaint Rate (CCR)—the number of consumer complaints received relative to sales (or production) volume—as a key performance indicator (KPI) and in 2024, total consumer complaints decreased by 1% compared to the previous year. Going forward, Yuhan-Kimberly plans to drive continuous improvement and further reduce complaints through an enhanced Quality Management System (QMS). In particular, consumer complaints related to safety and hygiene are strictly categorized, defined and managed more thoroughly. We always prepare ourselves for a wide range of possible issues that may arise during consumer use, and whenever concerns are identified, relevant departments—PSRA, Quality, CX, R&E and PR—convene an improvement council, ensuring prompt remediation and implementing preventive measures in advance.

Safety Monitoring of Products in Distribution

Even after product release, Yuhan-Kimberly continuously monitors consumer concerns and media reports related to socially controversial substances and conducts annual integrated safety monitoring of flagship products in all business units (baby&child care products, feminine care products, family care products, aging care products and B2B products). The products to be monitored are chosen annually based on safety management standards for products in distribution, in accordance with both legal requirements and voluntary internal standards. In addition to legal compliance, Yuhan-Kimberly voluntarily checks the presence of substances that may become socially controversial. For substances that face heightened regulation overseas due to social issues, we commission specialized third-party labs to ensure accuracy and objectivity, enabling rapid response to related concerns.

Efforts to Internalize the Quality First Culture

To internalize the quality-first culture, Yuhan-Kimberly fosters a quality mindset and sense of ownership through the Three Quality Pledges campaign. In 2024, Kimcheon, Taejeon and Choongju Plants held a Quality Week campaign themed ‘Listening Carefully to the Voice of Consumers.’ The campaign included programs such as understanding consumer inconveniences, listening to vivid consumer feedback, and thinking from the consumers’ perspectives, all aimed at strengthening consumer-centered attitudes and spreading a culture of empathizing with consumers’ voices and putting them into practices. An additional program invited employees to express their personal commitments to quality improvement based on consumer feedback, and a total of 108 employees participated.

Enhancing Consumer Safety through Cooperation with Government and Related Organizations

Yuhan-Kimberly works to proactively address social safety issues through collaborative projects with government agencies such as the Ministry of the Interior and Safety and the Korea Consumer Agency. We participate in the Hygiene Products Council and the Cosmetics Council with the Korea Consumer Agency to prevent consumer harm and voluntarily enhance product safety. In particular, we serve as the chair of the Hygiene Products Council, playing a leading role in its key activities. In 2024, Yuhan-Kimberly created informational content on the proper use of kitchen towels according to their materials, distributing it through five major retailers (Lotte Mart, Homeplus, E-Mart, Shinsegae and Hyundai Department Store), helping consumers use products more safely.

Through a ‘Safety Culture Social Contribution Business Agreement’ with the Ministry of the Interior and Safety, Yuhan-Kimberly leverages its corporate expertise for accident prevention activities, promotion of everyday safety guidelines and campaigns for vulnerable groups, etc. As part of joint efforts, braille is printed on the paper packaging of feminine care products to ensure safety of the visually impaired consumers. In 2024, Yuhan-Kimberly produced and distributed children’s safety diaries—including guidance on the environmentally conscious use of wet wipes—to elementary school students. We will continue to pursue collaborative efforts with the government, relevant organizations and businesses to advance consumer safety.



Signing Ceremony for 2025 Safety Culture Social Contribution Business Agreement

Hygiene Products Council's Five Main Agenda for 2024

Improvement Tasks	
Safety	❶ Wet wipes: Indication of recommended expiration date after opening and distinction between extracts and solvents to avoid misunderstanding of contents in wet wipes
	❷ Addition of storage-related precautions
	❸ Voluntary management system for hazardous substances in sanitary products
ESG	❹ Use of sustainable packaging (eco-friendly, recycled)
	❺ Information sharing with consumers in relation to the council's activity and creation of relevant contents

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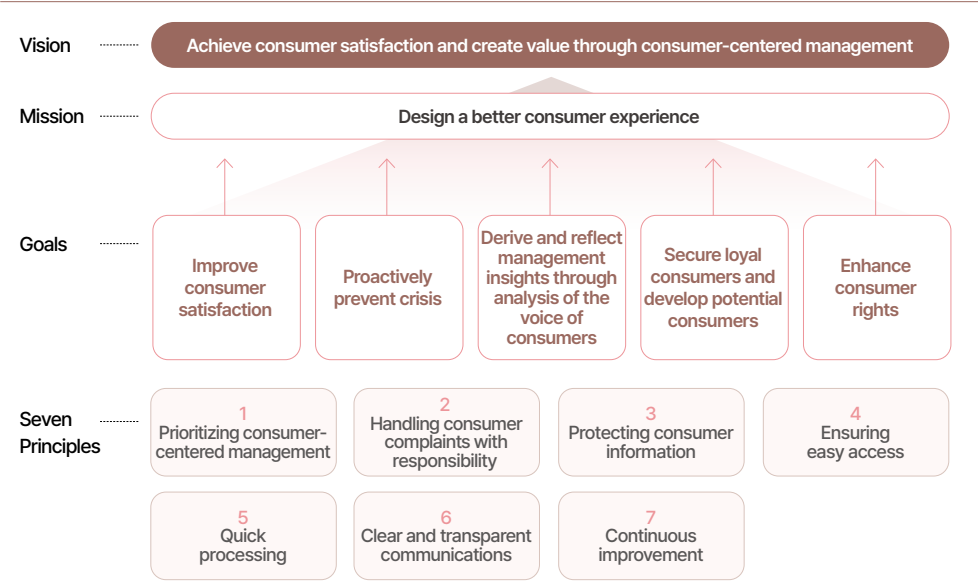
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Consumer Satisfaction

Consumer Satisfaction and Innovation through Consumer-Centered Management

Consumer-centered management begins with thinking and acting from the consumers’ perspective. Yuhan-Kimberly views the voice of consumers not merely as feedback, but as the starting point for innovation, and practices consumer-centered management by reflecting consumer input throughout all aspects of its business—planning and executing every activity from the consumer’s point of view. Yuhan-Kimberly has established seven core principles for consumers to systematically implement consumer-centered management, and actively incorporates customer feedback into product and service innovations. We also promote five strategic goals: improvement of consumer satisfaction, proactive crisis prevention, generation of management insights through the voice of consumers, development of loyal and potential consumers, and enhancement of consumer rights. Through these efforts, Yuhan-Kimberly realizes the vision of consumer-centered management by ensuring both consumer satisfaction and corporate value. Yuhan-Kimberly is preparing to obtain Consumer-Centered Management (CCM) certification in 2025 and is strengthening its systems to review and improve business activities from the consumers’ perspective. The CCM certification is a national certification system certified by the Fair Trade Commission and operated by the Korea Consumer Agency, and Yuhan-Kimberly aims to realize consumer rights protection in a more systematic way by obtaining the certification.

Vision & Mission of CX Division



Organization for Consumer Satisfaction

Yuhan-Kimberly changed the name of its Consumer Satisfaction Division to the Consumer eXperience Division (CX Division) in 2025 to reflect its commitment to not just resolving consumer complaints, but also redesigning and improving every consumer touchpoint to deliver a better consumer experience with its products and services. The CX Division serves as a control tower for maximizing consumer satisfaction and managing consumer complaints based on positive consumer experiences. It is responsible for resolution of after-sales complaints, proactive prevention activities, the operation and management of frontline consumer service centers and consumer education.

CX Division Organization Chart



Shrinkflation TFT

In 2024, Yuhan-Kimberly launched the Shrinkflation TFT to prevent consumer complaints and strengthen transparency in product information. This initiative aims to prevent consumer misunderstandings and complaints that may arise from insufficient notification when product volume or specifications change. Major departments—including Marketing, R&E, PR, CX, Legal Affairs and Product Safety (PSRA)—participated to rapidly analyze legal requirements and business impacts, establish internal standards and guidelines and distribute them throughout the company, thereby creating a preemptive response system. Each business unit performs a preliminary review process when making major changes, such as volume reductions, to prevent consumer misunderstanding and complaints and protect consumer trust.

Spotlight

People: Our Strength and Source of Hope

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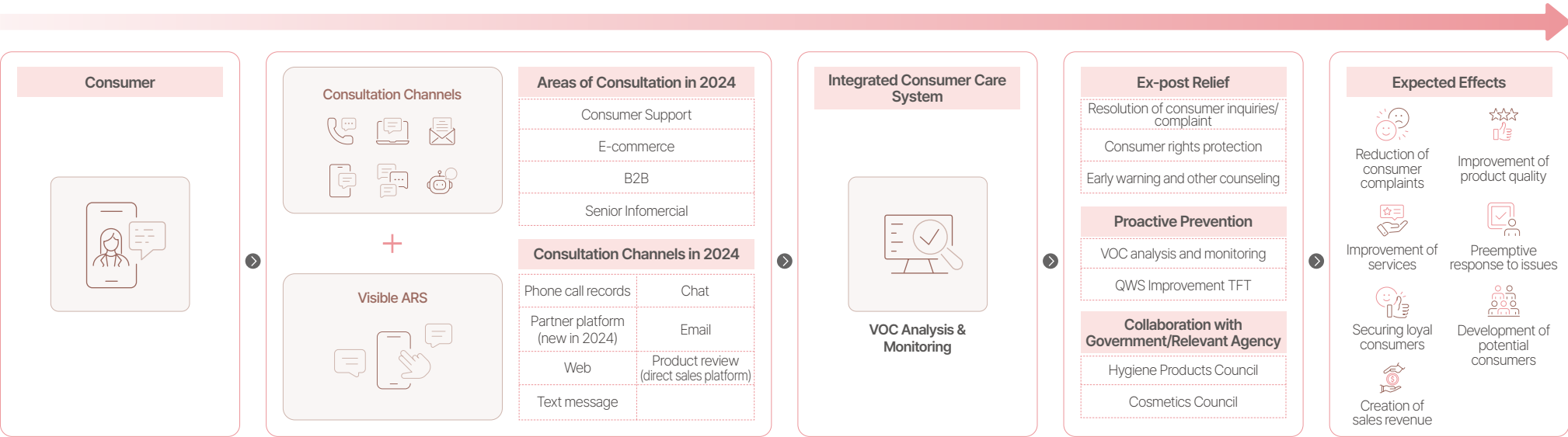
Consumer Satisfaction

Integrated Management of Voice of the Consumer

Yuhan-Kimberly collects the voice of the consumer (VOC) through various online and offline channels—including SMS, chat, chatbot, phone call records and email—and manages this input rapidly and systematically through an integrated consumer care system. This system consolidates consumer history, product information, FAQs and events to enhance the efficiency and accuracy of consumer service representatives. Inquiries and complaints are responded to in real time, and our basic policy is to respond within three hours. All VOC collected is monitored through a dashboard of the CX Division, and critical issues such as product safety or foreign substances are automatically reported in real time to the executives of relevant department, enabling prompt actions. Complaint handling and ex-post relief are carried out in a fair and consistent manner according to Yuhan-Kimberly's internal standards for resolving consumer complaints. Simple inquiries are handled via chatbot and FAQs, while more complicated issues are analyzed and responded to through cross-departmental collaboration—centered around the CX Division—based on objective evidence.

The standards and procedures for resolving consumer disputes are transparently disclosed on the company website. The collected VOC is reflected in various areas such as quality improvement, product development and service innovation, etc., thereby enhancing consumer satisfaction. In 2024, Yuhan-Kimberly expanded its self-service support channels, resulting in approximately 190,000 consultations—a 33% increase compared to the previous year. In response to consumer preferences for quick and convenient support, simple inquiries were effectively redirected to the chatbot.

Yuhan-Kimberly's Consumer Consultation Process



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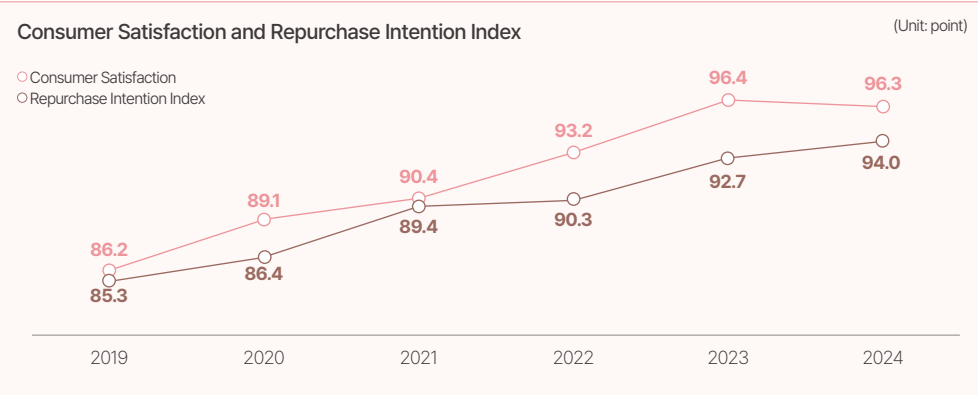
Consumer Satisfaction

Consumer Satisfaction and External Achievements Based on Excellent Consultation Services

Yuhan-Kimberly operates a real-time mobile consumer satisfaction survey and automatic analysis system, and sets and systematically manages the Consumer Satisfaction Index (CSI) and the repurchase index collected through the system as KPIs. In 2024, the company achieved high customer satisfaction scores, with a CSI of 96.3 points and a repurchase intention index of 94.0 points.

In addition, Yuhan-Kimberly won the grand prize in the Consumer Complaint Evaluation Award, selected by Consumer Research, a consumer issue research center by analyzing 70,000 consumer complaints submitted to the Consumer Complaint Center and monitoring data. This demonstrated our excellence in consumer response capabilities.

Yuhan-Kimberly's Consumer Satisfaction Center became the first in the household goods industry to receive the 'KS Service Certification (Customer Contact Center Service category)' from the Korean Standards Association. This certification is awarded to plants the service capabilities of which exceed national industrial standards. Yuhan-Kimberly's Consumer Satisfaction Center achieved high scores across all areas—including quality management, operating systems and human resource management—and was particularly recognized for its exceptional ability to express empathy and consideration toward consumers.

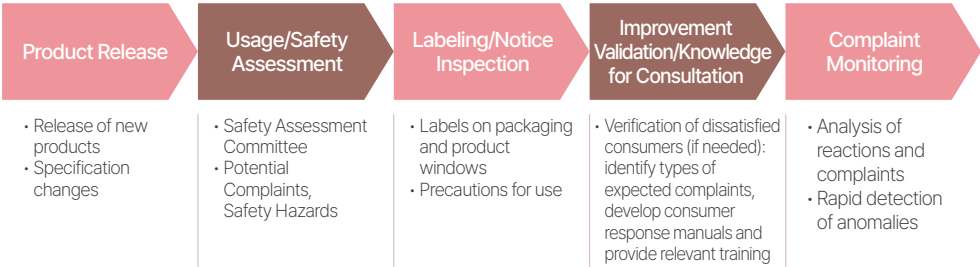


Prevention of Consumer Complaints

Pre-Inspection of Products

To prevent consumer complaints, Yuhan-Kimberly assesses potential risks from the consumer experience perspective from the product planning stage. Through the pre-inspection process, we identify and address factors that could bring about complaints—such as missing labels or misleading instructions—before products reach the market, and preemptively respond with improvements through close monitoring.

Prevention process



Preventing Spread of Negative Issues through Early warning

Yuhan-Kimberly has an early warning process to promptly improve and prevent the occurrence of critical safety and hygiene defects. Based on the voice of the consumer, the issues with potential for widespread impact are forwarded to the Crisis Response Team with an early warning, and if company-wide collaboration is necessary, the official response system is activated for rapid action. The warning levels are divided into 'Caution' (problems can be resolved), 'Alert' (an issue is likely to spread), and 'Serious' (negative issue has actually spread), and the responsible teams and the method of response is clearly defined for each of the warning levels. On the Caution and Alert stages, the CX Division and the Crisis Response Team collaborate to take response measures, while on the Serious stage, the Crisis Response Team leads an official company-wide response. In 2024, a total of 25 early warnings were issued, and thanks to close collaboration among relevant departments, most issues were contained and their escalation was prevented.

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Consumer Satisfaction

Voice of the Consumer Meeting

Yuhan-Kimberly operates the Voice of the Consumer (VOC) meetings, where the CEO, function leaders and related department heads directly communicate with consumer service representatives to ensure that actual consumer feedback is incorporated into management. These meetings address key issues across all consumer contacts—including products, quality, delivery, service and e-commerce. In 2024, a total of nine meetings were held, during which 92 items were discussed and 88 improvement tasks were identified, with 88% of them actually implemented. Additionally, a monthly VOC report is published to analyze and share the consumer trends and key issues collected through the consumer center. This report contains the total number of consultations, noteworthy consumer feedback, trends and types of product complaints relevant to each business unit and results of consultation, etc. Yuhan-Kimberly is committed to using the VOC as a starting point for meaningful change and actively incorporating it into all aspects of management.

Cooperation with Consumer Groups and Governments

As social demands for hygiene products and consumer safety increase, related laws and management systems are being strengthened. For the purpose of preemptively responding to these changes, Yuhan-Kimberly is continuously expanding cooperation with the government and consumer groups and creating a safer and more trustworthy product environment.

Yuhan-Kimberly participates in the Hygiene Products Council with the Korea Consumer Agency to promote activities to prevent consumer harm and voluntarily enhance product safety. In 2024, Yuhan-Kimberly served as the chair of the Council, leading related discussions and coordination. Notably, we took part in the safety experience class organized by the Council, providing 4,500 consumers with information on the excellence and proper use of its hygiene products and product sampling opportunities. Furthermore, through a partnership with the Korea National Council of Consumer Organizations—comprised of 12 consumer groups and 194 local

organizations—Yuhan-Kimberly actively supports efforts to promptly resolve consumer complaints and consumer damages reported to the ‘1372 Consumer Counseling Center’, along with consumer awareness campaigns led by these organizations. We will continue to lead proactive risk management and consumer rights protection through close cooperation with the government and consumer groups, realizing sustainable consumer-centered management.



Safety Experience Class of 2024 Hygiene Products Council

Raising Consumer Confidence by Enhancing Transparency in Product Information

To ensure compliance with labeling and advertising requirements for each product, Yuhan-Kimberly reviews the labeling and advertising of all products sold in Korea prior to their release. Additionally, to maintain compliance, we monitor labeling and advertising at least once a year.

In 2024, Yuhan-Kimberly operated a monitoring group consisting of college students to review advertising expressions from a consumer perspective, comprehensively assessing compliance of each product as well as potential consumer perceptions and misunderstandings. Based on the results of the monitoring, we found areas that need improvement in advertising phrases that could potentially mislead consumers. Some consumer reviews pointed out that there are expressions that could be mistaken for efficacy of a drug or did not specify the source and that some advertisements were difficult to read, limiting the effective delivery of information. The monitoring group also suggested that additional information could help consumers better understand mask product advertisements. Based on these findings, Yuhan-Kimberly will continue to implement improvements to labeling and advertising so that consumers can more clearly understand information and use products safely.

Enhancing Brand Trust through Consumer Value -Based Education Activities

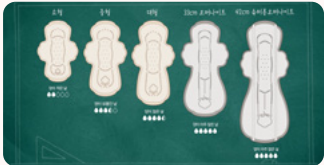
Yuhan-Kimberly fulfills its social responsibility through consumer education activities centered on consumer value, while also establishing a foundation for consumer trust and long-term growth. We provide educational programs, including sex education and hygiene education, to elementary and middle school students to increase contacts with consumers and contribute to improving their quality of life.

Yuhan-Kimberly's consumer education activities began in 1972 with a focus on school sex education and transitioned to online sex education after 2010, and since 2018, the activities have included school-linked education through MOUs with elementary school health teachers association as part of our CSR initiatives for women. In 2024, 410,000 youths participated in these programs, with the programs provided at 1,738 schools in total. Our YouTube contents related to these activities achieved 150,000 views.

In 2025, in response to continued demand for elementary and middle school hygiene education, Yuhan-Kimberly plans to expand school educational contents to cover hygiene products and provide menarche education, further strengthening its commitment to delivering consumer value.



Consumer education materials



Spotlight

People: Our Strength and Source of Hope

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Supply Chain Management

Supply Chain Management

As global demands for transparency and sustainability of supply chains increase, a responsible supply chain management has become essential for companies. Risks that may arise within the supply chain, e.g., human rights violations and environmental pollution, can have a direct impact on a company's credibility and sustainability, making systematic management efforts crucial.

In line with these global trends, Yuhan-Kimberly is establishing a sustainable management system across its entire supply chain. We operate a step-by-step supply chain management process—from open sourcing to screening and selection of new suppliers, regular evaluations and post-management—and have formalized this in our Sustainable Procurement Policy. In addition, through the Supply Chain Code of Conduct, we set forth the ethical standards that our suppliers must follow, while specifying behavioral principles for consumers, the environment and local communities.

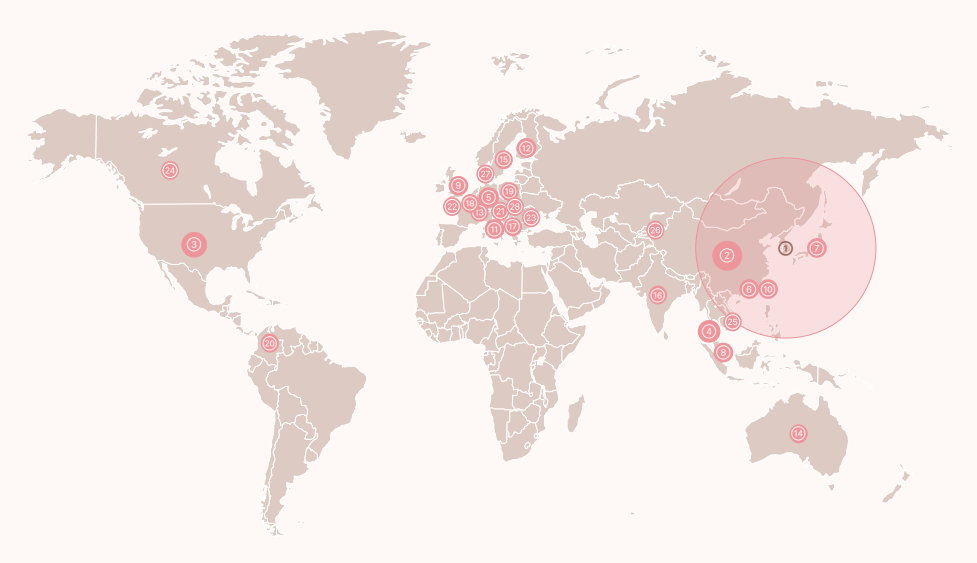
While managing the suppliers' fulfillment of their responsibilities, Yuhan-Kimberly is also committed to supporting the practical enhancement of their capabilities. As shared growth is an important value for us, we have been steadily operating a variety of shared growth programs since 2013, even before these discussions became mainstream. In the course of transactions with the suppliers, Yuhan-Kimberly ensures transparency and fairness and builds sustainable partnerships based on mutual trust by establishing and implementing the four principles of fair trade.

-  Sustainable Procurement Policy
-  Supply Chain Code of Conduct

Status of Suppliers

As of 2024, Yuhan-Kimberly has 1,243 suppliers in its supply chain, with approximately 90% being domestic suppliers. Domestic companies account for approximately 71% of the total transaction value, reflecting Yuhan-Kimberly's strong collaboration with the domestic market. Yuhan-Kimberly's suppliers are divided into primary materials companies, external contract manufacturing companies and other vendors excluding the above. Primary materials companies supply raw materials needed for production, while external contract manufacturing companies produce and supply finished products. Other vendors include service providers, distributors, advertising agencies, and IT or financial companies. In 2024, primary materials companies accounted for the highest purchasing proportion at 42%.

Distribution of Suppliers by Country in 2024



(Number: Number of Suppliers)											
㉠ Korea	1,111	㉡ Japan	6	㉢ Switzerland	2	㉣ Denmark	1	㉤ Vietnam	1		
㉥ China	35	㉦ Singapore	5	㉧ Australia	2	㉨ Colombia	1	㉩ Kyrgyzstan	1		
㉪ United States	27	㉫ United Kingdom	4	㉬ Sweden	2	㉭ Austria	1	㉮ Poland	1		
㉯ Malaysia	10	㉰ Taiwan	4	㉱ India	2	㉲ Belgium	1	㉳ Hungary	1		
㉴ Germany	8	㉵ Italy	4	㉶ Slovenia	1	㉷ Romania	1				
㉸ Hong Kong	7	㉹ Finland	2	㉺ Luxembourg	1	㉻ Canada	1				

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Supply Chain Management

Organization to Implement Supply Chain Management

Yuhan-Kimberly manages its supply chain primarily through the SCM Enabling Division and the Procurement Division. The SCM Enabling Division is responsible for promoting and enhancing a culture of fair trade and mutual growth with suppliers, conducting ESG evaluations, managing risks, providing education and consulting, supporting productivity improvements and handling grievance, while the Procurement Division handles other matters, e.g., requiring compliance with the Code of Conduct during contract signing with suppliers and managing the stability of primary materials supply. To systematically support the strengthening of supplier competitiveness, Yuhan-Kimberly integrated several organizations—including Strategic Manufacturing, Win-Win Innovation and SCM Excellence, which had previously belonged to different divisions—into the SCM Enabling Division as of January 2024.

Organizations Responsible for Supply Chain Management

Department	SCM Enabling Division	Procurement Division
Key ESG Activities for Supply Chain Management	• Enter into MOUs to support suppliers' ESG management • Conduct regular assessment and take remedial measures regarding ESG risks of suppliers • Operate financial and non-financial support programs for shared growth	• Establish and manage the sustainability management policy for suppliers • Establish and require compliance with the code of conduct for suppliers to fulfill social responsibilities • Manage long-term stability of supply and demand of primary materials for the production of goods/services

New Suppliers Evaluation and Selection

New suppliers undergo an initial document review, and, if necessary, a second on-site evaluation before being registered in the supplier pool. Bidding and contracting are carried out only after they agree to comply with Supplier Social Compliance Standards, which include the prohibition of child labor and forced labor, non-discrimination, ensuring a safe and healthy workplace, environmental protection, business integrity and conflict minerals, etc. Even after registration, suppliers are continuously managed through regular evaluations covering ESG management, quality, development and delivery performance; incentives are given to high-performing suppliers, while those with unsatisfactory evaluations are offered improvement opportunities or subject to transactional adjustments. In addition, Yuhan-Kimberly mitigates risks related to human health, environment and society at the procurement stage by applying its sustainable pulp procurement policy and Kimberly-Clark's cotton standard, and evaluating the human and environmental safety of raw materials.

First-Phase Paper Review

Yuhan-Kimberly discovers potential suppliers through an open sourcing process. When a supplier submits an application for trade on our shared growth website, the Procurement Division first verifies whether the submitted items meet our business needs and, if necessary, conducts a paper review. Based on the application, compliance with labor laws—such as participation in the four major insurances, operation of a retirement benefit plans and adherence to minimum wage laws—is verified, along with checks on financial status and quality certifications.

Second-Phase On-site Assessment

If a supplier that has passed the initial paper review is determined to need an on-site assessment as the second phase of selection, we visit the potential supplier for assessment. This is an in-depth assessment, where an evaluation team made up of relevant departments visits the supplier and evaluates its performance across six areas. In 2024, four out of the 117 new suppliers underwent an on-site assessment, and all of them were ultimately selected as our suppliers. However, for one of these suppliers, it was determined that improvements were needed in their quality management system, so follow-up measures were taken to enhance its document management process and measurement equipment.

On-Site Assessment Areas for New Suppliers

 Finance, Management, Supply Chain	 Quality	 Production
 Development	 Safety Environment	 Labor, Human Rights, Anti-Corruption, Ethics

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Supply Chain Management

Supplier Capability Assessment

Yuhan-Kimberly regularly implements the Supplier Assessment Tool (SAT) to evaluate suppliers' capabilities and management levels, proactively identify potential risk factors, prevent negative impacts and eliminate any actual adverse effects. The capability assessment follows a five-step process and covers four areas—quality management, social responsibility, plant cleanliness and process capability—encompassing a total of 76 evaluation items. The social responsibility area includes items related to environmental regulations, environmental management systems, fire safety management, safety management, communication, ethical management, health management, warehouse/product management and other ESG management factors. Yuhan-Kimberly categorizes primary materials suppliers and external contract manufacturing companies that meet certain criteria, excluding foreign companies and large companies, as primary targets for the SAT. We conduct on-site assessments, and the results are shared with the Procurement Division and relevant departments and reflected in next year's assessment plans. Based on the results, incentives are awarded or improvements are encouraged, enabling Yuhan-Kimberly to maintain mutually beneficial business relationships with its suppliers.

Targets and Results of Capability Assessment

In 2024, Yuhan-Kimberly conducted capability assessments for 63 key suppliers—an increase of 10 suppliers compared to the previous year—with an overall average of 87.6 points. Although the average slightly declined compared to the previous year, the average for those assessed in both 2023 and 2024 increased, demonstrating the effectiveness of improvement activities resulting from the SAT. The latest assessment detected major risks at some suppliers in the areas of fire safety management, safety and hygiene, labor and human rights, and chemicals and waste, with immediate corrective actions taken and improvements verified. In 2025, Yuhan-Kimberly is expanding and advancing the scope of its supply chain management by reviewing and updating SAT items in line with domestic and international disclosure and assessment standards and developing a new tool for paper review for first-tier suppliers that do not fall under the scope of the SAT.

Classification of Suppliers based on Supply Risk Levels in 2024

Supply Risk Level	Classification	No. of Suppliers	Proportion in Procurement (%)
Top Tier	Primary materials suppliers and external contract manufacturing companies larger than a certain size, excluding foreign companies and large corporations	62	29%
2nd Tier	All domestic primary materials suppliers, external contract manufacturing companies, large corporations, and foreign companies except the above companies	52	11%
Others	Other companies (including foreign companies)	1,129	60%

Supplier Capability Assessment Process



Major Risks and Measures Taken in the Social Responsibility Area in 2024

Classification	Risks Identified	Measures Taken
Fire safety management	- Cases of stored-pressure fire extinguishers installed in incorrect locations - Cases where unnecessary items were placed in front of fire hydrant entrances, blocking the access	
Safety and health	Failure to prepare protective equipment distribution records	Immediately improved/replaced and re-examined at the following visit
Labor and human rights	Failure to enact the Labor-Management Council regulations and appoint grievance committee members at a plant with 30 or more regular employees	
Chemicals and waste	- Absence of MSDS - Cases that MSDS was not easily understandable for workers handling hazardous substances.	

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Supply Chain Management

Efforts for Mutual Growth

Since 2013, Yuhan-Kimberly has published a mutual booklet containing mandatory requirements and support programs related to mutual growth, while communicating transparently with suppliers and other stakeholders through the Shared Growth website. In addition, we make efforts to collect and address opinions and concerns of the employees of our suppliers through regular surveys, visits and meetings. We also operate a variety of support programs to enhance competitiveness, including support for technology development, improved payment terms and enhancement of expertise, etc., under the agreements on fair trade and win-win-growth. In 2024, Yuhan-Kimberly signed agreements with 65 suppliers, with purchases from these suppliers accounting for about 13% of all suppliers at approximately KRW 108.9 billion.

Shared Growth Website

Development of Programs for Win-Win Cooperation and Mutual Growth

Laying the groundwork for win-win cooperation	Spreading win-win cooperation	Settling mutual growth	Advancing mutual growth
			
2002 - 2007	2008 - 2012	2013 - 2017	2018 -
- Established win-win cooperation organizations - Supplier diagnosis system - Supplier training programs - Conducted projects for suppliers' quality and safety	- Operated the Information Sharing System (SAM) - Performed collaboration projects - Technical support projects - Introduced the UN Global Compact	- Enhanced win-win cooperation organizations - Performed the agreement on fair trade and win-win growth - Supported the agreement on win-win growth between primary and secondary suppliers - Supported win-win growth of distributors - Operated the VoC (Voice of Consumers) - Obtained the highest rating in the evaluation of the win-win growth index consecutively since 2015	- Selected as the best/excellent honorary company in the win-win growth index for eight consecutive years since 2017 - Supported win-win growth of secondary or lowertier suppliers

Achievements of Major Shared Growth Programs in 2024

Programs	Achievements
Payment method	100% cash payment
Financial support (repayable and non-repayable)	KRW 3.7 billion
Management of cooperation fund	KRW 17 billion
Support for technology development and technology protection	79 cases

Four Implementation Items for Fair Trade and Grievance Handling

Yuhan-Kimberly has prepared and faithfully implements four implementation items for fair trade to establish a fair trade order. We publicly state its principles for transparent transactions by publishing the Procurement Ethics Charter and the Duty of Integrity Pledges on our website, and strive to ensure transparent and fair trade with our suppliers by including the obligation of the integrity pledge in our standard subcontracting agreements. 2024, the information related to suppliers—which had previously been managed separately by each department—was consolidated into the Supplier Management Advisor (SMA) system, improving the efficiency of information management. In addition, Yuhan-Kimberly operates an anonymous reporting center for unfair trade practices, providing suppliers with a secure channel to raise any unfair dealings or grievances they may encounter during transactions, thereby protecting supplier rights and strengthening trust-based partnerships.

Unfair Trade Reporting Center for Anonymous Reporting

Four Implementation Items for Fair Trade

 1 Implementation items concerning the conclusion of desirable contracts between large corporations and SMEs	 2 Implementation items concerning the selection and management of suppliers
 3 Implementation items concerning establishment and operation of the Subcontractor Internal Review Committee	 4 Implementation items concerning desirable issuance and preservation of documents

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Creating Community Value

Shared Growth with Local Communities and Spread of Social Impact

Yuhan-Kimberly is committed to creating community value and expanding social impact through various efforts for forests and people. The ESG Committee discusses and approves the company's goals and activities related to social contribution and social impact, while actual implementation is led by the Corporate Social Responsibility Work Group. Key initiatives include the 'Keep Korea Green' campaign, which aims to solve both environmental and social issues through forests, as well as efforts to improve the quality of life for vulnerable groups by promoting inclusion for the socially disadvantaged and engaging in product donations and educational activities to enhance hygiene and health. In line with these efforts, Yuhan-Kimberly has set and managed the goals for 'coexistence of forests and people' and 'improvement of the quality of life of the vulnerable' related to social impact in our 2030 sustainability goals, and has established a Social Contribution Declaration and Community Donation Principles, which are disclosed on our website.

[Community Donation Principles](#)

Efforts to Protect Forest Environment through the Keep Korea Green Campaign

Ecological Restoration of Forest Fire-Damaged Areas on the East Coast

The East Coast wildfire that occurred in March 2022 in Uljin, Samcheok and Donghae lasted for 9 nights and 10 days, destroying 16,302 hectares of forest. Yuhan-Kimberly recognizes wildfire damage related to climate crisis as a serious social issue and is actively engaged in forest restoration and awareness-raising activities. In particular, by participating in the 'People's Forest' project, a public-private partnership, we developed restoration plans for the affected areas and began full-scale restoration efforts in 2023. On March 30, 2024, to mark the 40th anniversary of the 'Keep Korea Green' campaign, Yuhan-Kimberly held a tree-planting event in Chogu-dong, Donghae, Gangwondo, to restore areas damaged by wildfires. Employees from all Yuhan-Kimberly plants, current and former CEOs and leaders from various sectors of society participated in the event. On the following day, March 31, the 2024 Newlywed Tree Planting event was held in the same region. Over the course of the two days, approximately 700 people took part, planting a total of 11,000 trees. In June 2024, Yuhan-Kimberly also participated in an on-site discussion with the Korea Forest Service and experts on forest ecosystem restoration in wildfire-affected areas of Uljin, addressing key topics such as status of restoration, the creation of foundational environments, legal applications and the definition of restoration.



Ecological Restoration of Forest Fire-Damaged Areas in the East Coast in 2024



Conserving the Endangered Korean Fir

The Korean fir is a native species to Korea, found only in certain areas including Hallasan mountain and Jirisan mountain. It is Korea's only endemic plant and is considered a rare plant of high value in terms of biodiversity. Currently, the Korean fir is facing extinction due to rising temperatures and decreased snowfall caused by the climate crisis and therefore, it is essential to make systematic conservation efforts. On September 29, 2021, Yuhan-Kimberly signed an MOU with the Korea Arboreta and Gardens Institute for the protection and conservation of Korean fir and other endangered alpine coniferous trees, and has since been promoting the establishment of an ex-situ conservation center for the Korean fir. From 2021 to 2024, we collected a total of 350,000 seeds and produced 6,800 seedlings. In 2024, based on a survey of natural habitats, we collected additional seeds and established a model garden for the Korean fir through the mass propagation and management of seedlings. In 2025, we plan to continue the surveys on habitats with insufficient seed collection and expand seedling production using collected seeds, for the purpose of achieving the goal of building ex-situ conservation sites by 2030.



2024 Opening Ceremony of the Model Garden for the Korean Fir

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Creating Community Value

Creating Carbon-Neutral Forests

Yuhan-Kimberly is promoting the ‘Carbon-Neutral Forests’ project to contribute to the response to climate change and the restoration of forest ecosystem. This project aims not only to absorb carbon and conserve biodiversity through tree planting and forest cultivation, but also to create jobs in local communities. In 2024, Yuhan-Kimberly planted 35,800 trees and conducted forest cultivation activities across 73.13 hectares in Yongin and Hwacheon, etc., generating 567 jobs in the process. Reforestation is carried out using mixed-species planting and multi-storied forests, taking ecological characteristics into account, and expert advice and monitoring ensures continuous quality management. Yuhan-Kimberly also manages 246 hectares of forest registered with the Korea Forest Service's forest carbon offset program, which is expected to absorb approximately 5,800 tons of carbon.

Activities to Protect Changgyeonggung Palace Forest

In November 2022, Yuhan-Kimberly signed an MOU to protect forests in Changgyeonggung with the Changgyeonggung Management Office of the Royal Palaces and Tombs Center and the Seoul Green Trust, under which it is engaged in various activities to restore and sustainably manage tress and green spaces in the Changgyeonggung area for three years until 2025. This project was designed to realize a citizen participation model that combines restoration of cultural heritage and ecosystems based on Yuhan-Kimberly's experience in creating urban forests that it has built for over 20 years. In 2024, four volunteer activities were conducted, with 122 volunteers participating for 244 hours in total. As a result, we planted 3,510 trees in nine species, managed an area of 5,150 square meters and eliminated three of invasive species, achieving an 89% reduction.. A post-activity survey found that all participants reported increased awareness of the value of palace forests and positively evaluated the preservation of green spaces. Yuhan-Kimberly will continue to expand this sustainable green space management model, preserving both cultural heritage and ecosystem together with the citizens.



Changgyeonggung Palace Forest Cultivation Activity in 2024

Creating Native Plant Honeybee Forest in Yeoncheon

Since 2022, Yuhan-Kimberly has been promoting a project to create a honey plant forest in the Yeoncheon National Forest to conserve habitats for honeybees and other species and to enhance biodiversity. The project focuses on creating healthy ecological forests with native tree species to provide habitats and food sources for bees, other insects and birds. In 2024, we carried out grass and vine removal twice on 6.2 hectares of reforested land, and monitored wildlife and insect activities in the native honey plant-centered ecosystem throughout the year to gather data for development of sustainable forest management plans. Additionally, we created 1.8 hectares of forest gaps within the reforested area by removing vines. Yuhan-Kimberly also held a ‘Forest Forum for Biodiversity Enhancement,’ where experts and stakeholders shared perspectives on forest management for the coexistence of nature and humanity in the era of the climate crisis. In 2025, we plan to implement various step-by-step measures—including creation of additional forest gap, additional planting in reforested area and forest cultivation—to ensure the stable establishment of the new honey plant forest and to enhance ecosystem services. Through these efforts, Yuhan-Kimberly aims to continuously expand a forest-creation model that encompasses various environmental values including biodiversity, ecosystem restoration and absorption of carbon.

Yuhan-Kimberly Forest Project in Mongolia

In 2024, Yuhan-Kimberly, in collaboration with Peace Forest Work, etc., entered into the 4th Forest Restoration Agreement to create the ‘Yuhan-Kimberly Forest’ in Mongolia's Tuijin Nars Special Protected Area, and is moving forward with full-scale efforts for prevention of desertification and ecological restoration. This agreement is valid for three years through 2027 and its key objectives include forest management, reforestation, maintenance of eco-trails to strengthen the role of the model forest as well as combined activities for engagement and education of the local communities. In 2024, concrete progress was made in the ecological restoration of Tuijin Nars through activities to support normalization of tree nurseries, expansion of supplemental planting in reforested areas and continued forest cultivation. Social interest in visiting the restored areas has also grown, increasing the likelihood of project expansion. Yuhan-Kimberly plans to regularly monitor the outcomes of forest cultivation activities, explore how this project can serve as input for forest policy in Mongolia, enhance eco-trail guidance systems and promotional contents, and introduce quantitative evaluation systems to expand stakeholder engagement and project effectiveness.

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Creating Community Value

Efforts for Inclusion and Diversity

Delivering Female NGO Leadership Development Programs

To promote inclusiveness and diversity in society through a stronger female leadership, Yuhan-Kimberly has, since 2007, worked with the Korea Foundation for Women to establish the ‘Female NGO Leadership Fostering Fund’ and operated scholarship programs. This Fund is a representative three-party collaboration model among corporations, civic groups and universities, and provides scholarships and operational support for various long-term (‘Future Female NGO Leadership’ course) and short-term (‘NGO Female Activist Leadership’ course and the ‘Women’s Movement Academy’) programs. As of 2024, the program has supported a cumulative 1,206 female activists.



2024 Female NGO Leadership Class

Life-Loving Newlywed School

Since 2009, Yuhan-Kimberly has partnered with the Seoul YWCA to operate the Life-Loving Newlywed School, a program designed to promote healthy relationships and improve the quality of life for newlyweds, while also contributing to solutions for Korea's low birth rate. This program aims to hear directly from newlyweds about the social issues they face—such as childbirth, marriage, and work-life balance—and to create a starting point for newlyweds, civic organizations and companies to work together to solve these challenges. In 2024, the program saw its highest-ever competition rate of 8.9:1, with 1,200 applicants (600 couples); a total of 272 participants joined—134 on-site and 138 via YouTube Live. The UIU¹⁾ Talk Concert provided a forum for sharing experiences about childbirth, parenting and family life and encouraged communication and understanding among newlyweds. Feedback after the program showed high satisfaction in all categories—including understanding of spouse (4.84/5), reflection on marriage life (4.79/5) and overall satisfaction (4.81/5). In 2025, the program was further refined with customized content tailored to specific groups, including prospective newlyweds, DINK (Dual Income, No Kids) couples, and families with children. Moving forward, Yuhan-Kimberly plans to expand the program through joint research and training initiatives in collaboration with experts in low birth rate studies, aiming to develop practical and sustainable social solutions.



2024 Newlywed School

1) UIU stands for “You, I, You”—a talk concert where newlyweds gather to share their stories together. When rotated 90 degrees, UIU resembles the Korean character ‘들’ (“deut,” meaning “to listen”), symbolizing the commitment of civic group Seoul YWCA, fellow newlyweds and Yuhan-Kimberly to listen to and help address the challenges that newlyweds face in marriage and childbirth.

Spreading Value through Donations

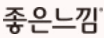
Good Brand Donation Campaign

Yuhan-Kimberly has continuously carried out donation campaigns centered around its leading brands—Huggies, Goodfeel, Kleenex and Depend—to enhance quality of life for consumers and realize social value. Each brand practices the value of sharing through tailored support for vulnerable groups. Huggies distributes ultrasmall diapers for preemies, operates the Hope Bank donation program and provides diapers to economically disadvantaged families—supporting a cumulative total of 12.62 million pads. Goodfeel has supported a total of 11.71 million pads through donations of sanitary pads and provision of hygiene education for adolescent girls and women with developmental disabilities. Kleenex has donated 1.62 million masks and 9,260 hygiene kits mainly for children and youth, while providing hygiene campaigns at the same time. Depend continues to support seniors through the employee-driven salary donation and has donated a cumulative 1.86 million pads. Yuhan-Kimberly will continue to strengthen the social responsibility of its brands and spread a sustainable culture of sharing with more consumers.

Donation Platform

In addition to product donation activities, Yuhan-Kimberly utilizes its donation platforms to create opportunities for consumers to engage directly and contribute to those in need. The donations are directed to non-profit organizations and public institutions aimed at partnering with local communities and serving the public good. Throughout all donation activities, Yuhan-Kimberly establishes and discloses donation principles to implement sustainable management and fulfill its corporate social responsibility. In 2024, approximately 29,000 people participated in donations and the donations were delivered to around 17,000 recipients.

Donations by Brand in 2024

Brand				
Activities	• Free supply of ultrasmall diapers for preemies (2017-) • Hope Bank: Donation of diapers returned for size exchange (2015-) • Good Action diaper support for economically disadvantaged families (2019-)	• Donation of 1 million sanitary pads for adolescent girls of vulnerable groups (2016-) • Development of First-time Sanitary Panties to teach how to replace sanitary pads to women with developmental disabilities (2020-)	• Anti-Fine Dust mask donation campaign (2015-2019) • Donation of 1 million COVID-19 masks (2020) • Donation of 300,000 masks for young adults preparing for self-reliance and vulnerable groups (2022) • Happy Clean Campaign for children's hygiene and health (2023-)	• 1% Monthly Salary Donation campaign to help seniors in need (2015-)
Performance as of December 2024 (cumulative)	Donated 12,622,587 pads in total	Donated 11,709,156 pads in total	Donated 1,625,802 masks and 9,260 hygiene kits in total	Donated 1,864,927 pads in total

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Employee Donations

Yuhan-Kimberly provides its employees with ongoing opportunities for donations and volunteering, taking the lead in spreading a culture of sharing. Since 2005, the ‘Hope for Daughters’ donation relay has served as an employee-driven initiative to promote gender equality and women’s rights, with employees raising about KRW 30 million in 2024, which was donated to the Korea Foundation for Women via the Happy Bean platform. The 1% Monthly Salary Donation is another example of employee participation program, which has provided supports for vulnerable seniors since 2015. Under this program, employees donate 1% of their monthly salary in November of each year and the donated amount is matched by Yuhan-Kimberly, allowing both employees and the company to jointly create social value.

Social Contribution Activities for Local Communities

Community Sharing Projects

Yuhan-Kimberly runs community donation campaigns to fulfill its corporate social responsibility and promote mutual growth with local communities. In September 2024, we launched a community sharing campaign to support vulnerable groups in the Kimcheon, Taejon and Choongju regions, using a matching donation format in which both the company and consumers participate. A total of nine non-profit organizations took part in the campaign this year, raising a combined total of KRW 60.22 million—approximately KRW 30.11 million from Yuhan-Kimberly’s corporate donation and KRW 30.11 from individual donations of netizens. The funds were delivered to 401 beneficiaries, including low-income women with disabilities, children from families in crisis, the elderly living alone, single mothers and adolescents with developmental disabilities. The campaign also encouraged engagement of local communities and social solidarity, as 105 supportive comments were posted and 6,404 donations were made. Yuhan-Kimberly is committed to promoting coexistence and mutual growth with local communities and cultivate a culture of giving and sharing in various ways.

Hope Bank

Yuhan-Kimberly actively fulfills its role as a corporate citizen by promoting mutual growth with the communities where its manufacturing sites are located. Every year, employees at each manufacturing site participate in Hope Bank diaper donation activities for local infant care centers and vulnerable groups, contributing to the care of local communities. In 2024, Taejon Plant supplied 842 Huggies diapers to 20 child welfare facilities and family centers in Taejon, while Choongju Plant provided 86 children at nine childcare facilities in the Chungcheongbuk-do region with customized donations considering their age and status of disabilities, etc. Kimcheon Plant donated diapers worth approximately KRW 10 million to vulnerable groups in the local community, further contributing to community care.

2024 Hope Bank



Kimcheon Plant



Taejon Plant



Choongju Plant

Green Impact Fund Project

Since 2021, Yuhan-Kimberly has operated the Green Impact Fund Project, a program to identify and support technology-based ventures and startups, with the goal of contributing to solving social and environmental issues. This project, carried out in partnership with PPL Korea and MYSC, pursues values aligned with the UN Sustainable Development Goals (SDGs). The No.1 Fund invested in ten startups aligned with the value of ‘environment and life,’ and seven of these were selected for the government’s TIPS program in 2024, securing a total of KRW 5.5 billion in R&D grants. In 2024, activities such as the INK session, Green Impact Contest and open innovation initiatives provided opportunities for empathy and networking among startups. Through this process, 27 startups were identified as new investment candidates, and ultimately, 13 of them received technical and business support—and, for some, investment—to help address the climate crisis and social issues.

Senior Impact Fellowship

Yuhan-Kimberly operates the ‘Senior Impact Fellowship’ to help address the challenges of a super-aged society and expand opportunities in the senior business sector. This program identifies social innovators with innovative and sustainable business models and, in partnership with the Work Together Foundation, provides a year-long fellowship fund. In 2024, the second round of the fellowship selected and supported recipients with a total budget of KRW 80 million. ‘Haruharu Movement Lab’, selected as our 2nd fellow in 2024, provides O2O healthcare services for seniors with chronic underlying conditions. ‘Spring Soft’ operates ICT digital care solutions to enhance cognitive and mental health and expand leisure culture for seniors, further developing business models and expanding the market for seniors.

Major Efforts for Social Impact of Product Brands

Brand	Program	Description	Link to UN SDGs
Huggies	Campaign for Premies	• Conducted campaigns to improve awareness of premies and donated diapers for premies	
	Childcare Forum	• Developed educational materials and provided lectures that are helpful in raising children	
	Hug Box	• Provided diapers, childcare supplies and educational materials to prospective parents who are pregnant or about to give birth	
	Happy Bean Good Action / Hope Bank	• Donated diapers to the economically disadvantaged	
Goodfeel	Inclusive Development	• Applied braille packaging / Developed First-Time Sanitary Panties	
	Daldabang / We Are on Period / We Have Menstruation (Menstruation and Health Information Platforms)	• Raised awareness of menstruation through the development and communication of educational materials on menarche and menstruation	
	Hope for Daughters	• Contributed to the spread of gender equality through the fundraising from employees	
	Cheer Up Daughters	• Contributed to universal menstrual rights through donation of 1 million sanitary pads	
Depend	Employee 1% Donation Today Plus	• Donated Depend products to the economically vulnerable	
Kleenex	Happy Clean Campaign	• Developed and distributed educational materials to improve children's awareness of hygiene	
FoRest	Happy Bean Good Action	• Improved the hygiene of the vulnerable by donating Kleenex products and improving toilets	
		• Donated skin care products for youths preparing for independence	

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Yuhan-Kimberly's Social Contribution Activities in Numbers

Forests

Contents	Beginning year	Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Cumulative contribution ¹⁾
Trees subject to planting and forest nurturing ²⁾ (including vegetation and tall trees)	1984	No.	323,880	601,016	602,800	760,661	556,130	497,779	591,941	531,090	461,678	513,000	57,603,039
Areas subject to forest nurturing	1984	ha	109	224	213	256	188	139	191	175	154	164.9	16,616.5
Participation in voluntary activities	2015	Person	-	2,509	2,183	4,361	2,459	-	-	57	105	458	12,132
Newlyweds Tree Planting	1985	Person	600	600	650	650	639	11,902	20,000	5,610	220	250	60,065
Forest/environment education for college students (Yuhan-Kimberly Green Camp)	1998	Person	120	110	98	98	176	209	400	400	100	80	5,850

1) Total cumulation of contribution activities from the beginning year

2) Based on the Keep Korea Green 40th Anniversary White Paper

People¹⁾

Contents	Beginning year	Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Cumulative contribution ²⁾
Baby & Child													
Helping children from vulnerable groups (diaper donation)	2012	Pad	487,146	532,950	919,914	1,072,374	3,266,898	1,158,984	1,250,454	1,103,133	956,551	985,889	12,622,587
Consumer education (Childcare Forum)	2011	Person	11,952	14,738	13,234	23,091	53,163	95,190	295,263	370,385	184,681	200,080	1,297,001
Senior													
Helping underserved seniors (1% monthly salary donation)	2015	Person	1,277	877	1,042	1,040	1,019	2,242	848	874	798	639	10,656
Women													
NGO Women (Leadership Education)	2007	Person	72	70	36	70	72	83	81	83	78	70	1,206
Newlyweds (Life-Loving School)	2009	Person	166	180	288	304	544	890	7,616	26,024	294	130	37,462 ³⁾
Low-income women (sanitary pad donation)	2016	Person	-	699,786	13,888	10,393	4,925	7,159	6,220	6,587	8,200	6,575	763,733
Creating a society of gender equality (employee donation relay)	2005	Person	793	861	1,253	1,211	1,138	1,152	975	785	921	777	12,203
Consumer education (education on menstruation for youth)	1972	Person	323,917	299,681	354,360	367,540	867,924	896,200	1,153,934	611,996	317,339	414,389	19,875,197

1) Major achievement regrading total beneficiaries and participants (excluding indirect participants) were summarized by field.

2) Total cumulation of contribution activities from the beginning year

3) Including YouTube online broadcast viewers from 2021 to 2024

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About Yuhan-Kimberly

Company Overview

Founded in 1970 as a joint venture between Yuhan Corporation and Kimberly-Clark, Yuhan-Kimberly has established essential products such as diapers, sanitary pads and facial tissues as daily necessities, leading the advancement of health and hygiene culture in the Korean society.

We lead innovative solutions that protect hygiene, safety, and health in daily life, medical settings and industrial sites, and contribute to the ongoing competitiveness of the domestic industry by delivering differentiated consumer experiences. Notably, our major brands—Kleenex, Huggies, Goodfeel, and Depend—are ranked number one in market share. We are also continuously driving management innovation based on ethical and transparent management and environmental stewardship by advancing social contribution, labor-management harmony, smart work and ESG management. We strive to achieve balanced growth that takes economic, social, and environmental factors into account.

Company Information

Company Name	Yuhan-Kimberly, Ltd.	Representative Director & President	JayHoon Lee (appointed on March 26, 2025)
Date of Incorporation	March 30, 1970	Number of Employees	1,369
Form of Company	Joint venture (Yuhan Corporation & Kimberly-Clark)	Revenue	KRW 1,380.9 billion
Head Office	29F, Lotte World Tower 300, Olympic-ro, Songpa-gu Seoul	Business Areas	General consumer goods, industrial products, toilet products, medical products, non-woven fabrics, etc.
Top Export Destinations	24 countries including Australia, New Zealand, Thailand, Taiwan, Indonesia, China, Hong Kong, Mongolia, Malaysia, Singapore, Japan, Philippines, U.S., Canada and Israel		

Business Sites

○ Headquarters ○ Innovation Center ○ Plants ○ Base Office

1 Headquarters (Jamsil)

Departments such as marketing, sales, finance, sustainability, HR, procurement, logistics, export, etc.

2 Innovation Center (Seocho)

R&D for innovative product development and new business expansion

3 Plants

- **Kimcheon Plant** : Produces and supplies family care products and hygiene paper products such as B2B toilet paper, hand towels and non-woven fabrics
- **Taejon Plant** : Specializes in baby & child care products and tampons, producing and supplying finished products and advanced non-woven materials.
- **Choongju Plant** : Produces and supplies feminine care products and specialized incontinence products

4 Base offices (Busan, Daegu, Gwangju, Taejon)

Value System

Vision Diagram



Yuhan-Kimberly Business Areas and Brands

Classi- fication	B2C				B2B	
	Hygiene Products				Skin Care Child Care	Industrial Products Healthcare
	Baby & Child Care	Family Care	Feminine Care	Aging Care		
Brands	Diapers, baby wet wipes, etc.	Toilet paper, facial tissues, cleaning products, etc.	Sanitary pads, etc.	Adult diapers, etc.	Skin care and baby accessories, etc.	Protective clothing, wipers, gloves, masks, etc.

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ESG Output | Economy & Governance

Financial Performance

Category	Unit	2022	2023	2024
Sales	KRW 100 million	15,092	14,440	13,809
Operating profit	KRW 100 million	2,099	2,025	1,865
Total assets	KRW 100 million	8,135	8,330	8,481

Domestic Sales to Export Percentage

Category	Unit	2022	2023	2024
Domestic sales	%	90.9	92.2	91.3
Exports	%	9.1	7.8	8.7

Sales Growth Rate by Business Unit

Category	Unit	2022	2023	2024
Baby diapers	%	-7.2	-3.5	-7.4
Facial tissues and toilet paper	%	5.3	7.5	-5.2
Sanitary pads	%	7.5	3.0	-8.6
Wet wipes, towels, adult diapers, skincare and others	%	3.8	-17.5	1.7
B2B sales	%	8.1	-9.3	-1.1

Economic Value Allocation

	Category	Unit	2022	2023	2024	
Shareholders	Dividends ¹⁾	KRW 100 million	1,440	1,700	1,600	
Employees	Salaries and benefits	KRW 100 million	2,216	2,123	2,162	
Suppliers	Costs of goods and services purchased	KRW 100 million	10,190	9,463	8,979	
Local community	Government	Corporate tax, other taxes and public charges	KRW 100 million	733	725	582 ²⁾
	Local community/ consumers	Social contribution expenses	KRW 100 million	56	53	56

1) Accrual accounting applied
2) The decrease in economic value allocated to the government resulted from tax appeal refunds and reduced corporate income taxes due to declined sales.

R&D and Investment Performance

Category	Unit	2022	2023	2024
R&D personnel	Person	53	57	56
Facilities investment	KRW 100 million	498	656	455
R&D investment	KRW 100 million	134	142	152
Sales of new products	KRW 100 million	1,484	1,698	1,214
Facility investment to sales percentage	%	3.3	4.5	3.3
R&D investment to sales percentage	%	0.89	0.98	1.10
New product contribution to sales percentage	%	9.8	11.8	8.8

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Ethics and Compliance

Unethical Behavior Reports by Stakeholders

Category	Unit	2022	2023	2024
Employees	Case	0	0	0
Suppliers	Case	1	0	0
Consumers	Case	0	0	0
Others	Case	0	0	0

Reports on Code of Conduct Violations

Category	Unit	2022	2023	2024
Sexual harassment/harassment at workplace	Case	0	0	1
Personal use of company assets	Case	0	0	0
Business process violations ¹⁾	Case	1	0	0
Bribery and gratuities to suppliers	Case	0	0	0
Attendance violations	Case	0	0	0
Trade secret leaks	Case	0	0	0
Others ²⁾	Case	0	2	0

1) Violations of business procedures and work rules

2) All other cases not covered above

Discipline for Code of Conduct Violations

Category	Unit	2022	2023	2024
Sexual harassment/harassment at workplace	Case	0	2	1
Personal use of company assets	Case	1	0	0
Business process violations ¹⁾	Case	0	1	2
Bribery and gratuities to suppliers	Case	0	0	0
Attendance violations	Case	0	1	0
Trade secret leaks	Case	0	0	0
Others ²⁾	Case	1	0	0

1) Violations of business procedures and work rules

2) All other cases not covered above

Anti-competitive behavior

Category	Unit	2022	2023	2024
Litigation related to violations of anti-competition and antitrust violations ¹⁾	Case	0	0	0

1) Litigation related to acts that hinders fair competition in the market or abuse a dominant market position

Education

	Category	Unit	2022	2023	2024
Code of Conduct	Targets	Person	668	685	664
	Participants	Person	668	685	664
	Completion percentage	%	100	100	100
Fair trade ¹⁾	Targets	Person	-	24	74
	Participants	Person	-	20	62
	Completion percentage	%	-	83	84
Statutory education ²⁾	Targets	Person	1,422	1,419	1,321
	Participants	Person	1,422	1,419	1,321
	Completion percentage	%	100	100	100

1) Although training has been conducted annually, data collection started in 2023

2) Disability awareness training, sexual harassment prevention training and workplace harassment prevention training

Government Subsidies

Category	Unit	2022	2023	2024
Government subsidies received	KRW 1 million	0	0	23 ¹⁾

1) Biodegradable material development project (period: 2024-2028)

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Environment^{1) 2)}

Greenhouse Gas

Category		Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
GHG emissions allowance (target)		tCO ₂ e	238,130	243,016	236,637	204,434	204,434	204,434	213,194	213,194	212,621	210,578
Total emission (Scope 1 + Scope 2) ³⁾		tCO ₂ e	201,723	204,943	202,986	202,102	202,435	201,903	192,751	192,694	191,357	199,589
Direct emissions (Scope 1)	Total	tCO ₂ e	17,161	20,638	21,257	22,829	23,750	23,221	22,186	24,373	25,989	28,083
	Kimcheon	tCO ₂ e	16,870	20,350	20,954	22,521	23,464	22,913	21,765	23,903	25,564	27,575
	Emissions by plant											
	Taejon	tCO ₂ e	36	36	44	36	44	33	16	19	14	24
	Choongju	tCO ₂ e	35	25	30	29	33	155	338	391	346	415
Indirect emissions (Scope 2)	Others ⁴⁾	tCO ₂ e	220	227	229	244	209	120	67	61	65	70
	Total	tCO ₂ e	184,564	184,308	181,730	179,274	178,689	178,684	170,568	168,325	165,371	171,508
	Kimcheon	tCO ₂ e	131,904	132,870	134,835	135,141	133,463	130,579	123,093	124,019	122,968	130,519
	Emissions by plant											
	Taejon	tCO ₂ e	38,872	37,462	32,617	29,274	29,502	32,667	33,647	29,788	28,086	25,696
GHG emission intensity (Scope 1 + Scope 2)	Choongju	tCO ₂ e	11,974	12,125	12,488	13,266	14,168	14,508	12,964	13,632	13,471	13,935
	Others ⁴⁾	tCO ₂ e	1,815	1,851	1,791	1,594	1,556	931	864	885	846	1,358
		tCO ₂ e/product ton	0.779	0.812	0.865	0.916	0.903	0.845	0.821	0.857	1.107	0.933 ⁸⁾
	Total	tCO ₂ e	-	-	-	-	9,345	9,725	10,262	639,669	600,445	535,575
	Purchased goods and services	tCO ₂ e	-	-	-	-	-	-	-	332,110	299,787	247,601
Other indirect emissions (Scope 3) ^{5) 6) 7)}	Capital goods	tCO ₂ e	-	-	-	-	-	-	-	1,883	1,589	1,695
	Fuel- and energy-related activities	tCO ₂ e	-	-	-	-	-	-	-	32,548	29,172	29,700
	Upstream											
	Upstream transportation and logistics	tCO ₂ e	-	-	-	-	-	-	-	21,001	25,066	26,826
	Waste generation in operations	tCO ₂ e	-	-	-	-	-	-	-	917	953	812
	Business travel	tCO ₂ e	-	-	-	-	-	-	-	265	306	812
	Employee commuting	tCO ₂ e	-	-	-	-	-	-	-	682	685	656
	Upstream leased assets	tCO ₂ e	-	-	-	-	-	-	-	47	33	52.68
	Downstream											
	Downstream transportation and logistics	tCO ₂ e	-	-	-	-	-	-	10,262	6,302	5,257	5,895
	Processing of sold products	tCO ₂ e	-	-	-	-	-	-	-	-	-	-
	Use of sold products	tCO ₂ e	-	-	-	-	-	-	-	8,062	9,927	10,051
	End-of-life treatment of sold products	tCO ₂ e	-	-	-	-	-	-	-	235,854	227,671	211,474
	Downstream leased assets	tCO ₂ e	-	-	-	-	-	-	-	-	-	-
	Franchises	tCO ₂ e	-	-	-	-	-	-	-	-	-	-
	Investments	tCO ₂ e	-	-	-	-	-	-	-	-	-	-

1) Yuhan-Kimberly generally reports performance of 10 years, but the reports for indicators newly added in 2023 cover the last 4 years.

2) The environmental performance data reporting is based on consumption by Yuhan-Kimberly headquarters and plants (Kimcheon, Taejon and Choongju).

3) GHG emissions are based on emissions at the time of allowance submission, and there may be a discrepancy with the final figure as emissions at business sites are rounded down.

4) Innovation Center, Jukjeon Life Innovation Center (closed in 2023), headquarters and Anyang Logistics Center.

5) In 2020-2021, only downstream transportation and logistics were included in the calculation. However, in 2024, we developed a Scope 3 self-assessment tool and now calculate emissions for 11 categories (C10. Processing of sold products, C13. Downstream leased assets, C14. Franchises and C15. Investments categories are not applicable).

6) The 2022 emissions were measured in 2023 and disclosed as part of the 2023 emissions. However, we have revised the figures compared to last year's report.

7) The Scope 3 emissions reported here are self-calculated and have not undergone third-party verification.

8) The GHG emission intensity of energy consumption decreased due to the reduction of the steam emission factor at Kimcheon Plant.

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Energy

Category		Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total energy consumption		TJ	3,945	4,009	3,977	3,967	4,074	4,112	3,957	3,947	3,865	4,002
Consumption by energy source	Electricity	TJ	2,907	2,900	2,830	2,787	2,814	2,842	2,726	2,683	2,669	2,755
	Steam	TJ	701	705	730	733	794	814	795	785	688	694
	LNG	TJ	333	401	413	445	463	453	434	476	509	550
	Others ¹⁾	TJ	4	3	4	3	3	3	2	3	3	3
Energy intensity ²⁾		GJ/product ton	-	-	-	-	-	-	16.86	16.86	17.56	18.71
Renewable energy consumption ³⁾		TJ	0	0	0	0	0	0.45	0.46	0.46	0.44	0.45

1) Gasoline, diesel, LPG, propane.

2) Data has been managed starting from 2021.

3) Solar power facilities were installed at Choongju Plant in 2020.

Water Resources

Category		Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water withdrawal	Total	m³	3,924,777	3,516,738	3,561,610	3,407,973	3,279,092	3,414,250	3,318,173	3,694,824	4,281,211	4,516,738
	Water withdrawal by source	Direct withdrawal										
		River water	m³	3,719,091	3,332,427	3,401,403	3,227,216	3,097,578	3,199,174	3,100,310	3,454,334	4,072,796
		Industrial water	m³	38,480	36,060	29,914	43,261	45,386	70,541	72,724	107,411	55,922
		Water supplied by third parties										
	Tap water	m³	167,206	148,251	130,293	137,496	136,128	144,535	145,139	135,079	152,493	144,036
	Water withdrawal intensity ¹⁾	m³/product ton	15.3	13.9	15.2	15.3	14.5	14.2	14.1	16.4	20.2	21.1
Recycling ²⁾	Recycling rate	%	371	39.7	35.0	33.5	33.7	29.8	29.9	28.4	25.4	25.4
Discharge ³⁾	Total discharge	m³	3,460,582	3,134,249	3,098,015	2,964,914	2,984,454	3,058,771	2,981,980	3,280,376	3,697,515	3,917,313
	Discharge intensity	m³/product ton	13.5	12.4	13.2	13.3	13.2	12.7	12.7 ⁴⁾	14.6	17.5 ⁴⁾	18.3
Consumption ⁵⁾	Total consumption	m³	464,195	382,489	463,595	443,059	294,638	355,479	336,193	414,448	583,696	599,425
	Water consumption intensity	m³/product ton	1.8	1.5	2.0	2.0	1.3	1.5	1.4	1.8	2.8	2.8

1) For consistency in reporting, water withdrawal intensity is additionally disclosed.

2) The formula was changed to reused water/(total water withdrawal + reuse water) X 100, resulting in a change of values compared to the previous year.

3) Total discharge was additionally disclosed starting from 2024 in accordance with GRI standards.

4) Figures have been revised due to an error of the calculation formula used in the previous reporting periods.

5) In accordance with GRI standards, the formula for water consumption has changed to "water consumption = water withdrawal – water discharge", resulting in changes from last year's reports.

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Waste

Category		Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
Total waste		ton	52,067	45,425	38,020	33,476	34,051	32,597	31,123	32,781	31,142	30,442		
Waste by disposal method	General waste	Total	ton	51,989	45,359	37,918	33,396	34,011	32,551	31,064	32,733	31,106	30,413	
		Recycling	ton	51,263	44,460	37,217	32,805	33,529	32,250	30,584	32,480	30,862	30,197	
		Incineration	ton	672.97	806.56	648.41	548.12	400.78	289.49	409.85	253.11	229.73	215.52	
		Landfill	ton	52.51	91.74	52.61	42.5	80.51	11.19	70.68	0	14.39	0	
		Total	ton	78.09	66.59	101.89	80	40.01	45.87	58.87	48.29	26.01	29.35	
	Designated waste	Recycling	ton	25.05	32.28	28.64	38.34	21.38	22.37	15.24	12.68	20.46	11.63	
		Incineration	ton	51.09	33.34	73.25	41.66	18.63	23.5	43.63	35.61	11.39	17.72	
		Landfill	ton	1.95	0.97	0	0	0	0	0	0	0	0	
		Waste intensity		ton/product ton	0.2	0.18	0.16	0.14	0.15	0.13	0.13	0.14	0.15	0.14
		Waste recycling rate		%	90.4	97.9	97.5	97.9	98.6	99.1	96.3	99.3	99.3	99.2
Waste disposal fee ¹⁾		KRW 100 million	90	86	77	68	67	68	69	75	71	68		

1) Applied to single-use diapers and general plastic products

Pollutants

Category		Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water pollutant emissions (intensity)	Total organic carbon (TOC) ¹⁾	kg/product ton	-	-	-	-	-	-	-	-	0.142	0.153
	Chemical oxygen demand (COD)	kg/product ton	0.222	0.243	0.207	0.261	0.294	0.23	0.246	0.220	0.216	0.227
	Biochemical oxygen demand (BOD)	kg/product ton	0.013	0.015	0.02	0.035	0.043	0.031	0.032	0.037	0.040	0.022
	Total Suspended Solids (SS)	kg/product ton	0.041	0.043	0.031	0.038	0.043	0.041	0.040	0.042	0.056	0.064
Air pollutant emissions (intensity)	Nitrogen oxide (NOx) ²⁾	kg/product ton	-	-	-	-	-	-	-	0.022	0.055	0.078
	Sulfur oxide (SOx) ²⁾	kg/product ton	-	-	-	-	-	-	-	0.022	0	0
	Dust	kg/product ton	0.028	0.024	0.023	0.028	0.017	0.015	0.013	0.001	0.001	0.022
Hazardous chemicals	Usage intensity ³⁾	kg/product ton	-	-	-	-	-	-	0.105	0.147	0.158	0.149

1) In accordance with domestic regulations, reporting has been conducted from 2023 to reflect the sequential transition of the organic pollutant measurement index for water quality from COD to TOC.

2) Measurement began in 2022 as legislation strengthened.

3) Reporting started in 2021

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Sustainable Raw Materials

Category		Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Recycled paper usage rate ¹⁾		%	33.4	29.8	20.2	18.4	18.6	17.4	16.9	17.9	17.6	16.9
Domestic recycled fiber usage rate		%	78.3	71.8	59.8	54.3	56.9	60.7	58.9	65.8	83.1	64.6
Pulp	Pulp usage ²⁾	ton	-	-	-	-	-	-	125,331	133,253	131,662	133,232
	Percentage of recycled plastic packaging ³⁾	%	-	-	-	-	-	-	-	17	30	35
Packaging	Packaging recycling contribution fee ⁴⁾	KRW 100 million	9	9	9	10	12	15	15	12	12	13
	Sustainable palm oil usage ⁵⁾	ton	-	-	-	-	-	-	-	38.73	30.01	26.02
Palm Oil	RSPO certified usage	ton	-	-	-	-	-	-	-	0	0	0

1) (Imported recycled fiber usage + domestic recycled fiber usage)/(Imported recycled fiber usage + domestic recycled fiber usage + pulp usage) x 100
2) Pulp usage has been reported since 2021.
3) (Recycled plastic used in packaging / total packaging materials used) x100
4) Calculated in accordance with the Act on the Conservation of Resources and Promotion of Recycling
5) Based on Kimberly-Clark's calculations

Eco-friendly Purchases and Sales

Category		Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Green purchases ¹⁾		KRW 100 million	-	-	-	-	1,013	829	934	1,171	1,391	1,583
Eco-friendly sales/services	No. of eco-labeled products ²⁾	Number	-	-	-	-	-	37	35	40	36	39
	Sales	KRW 100 million	-	-	-	-	-	370	371	341	380	292

1) Refers to pulp supplied by international forest certification organizations such as FSC® and PEFC as well as domestic and imported recycled fiber and alternative pulp. Sustainable pulp purchase amount has been calculated since 2019.
2) Refers to eco-friendly certified products as defined in Article 17 (Certification of Eco-Labels) of the Environmental Technology and Industry Support Act.

Environmental Operating Costs

Category		Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total costs of environmental operations		KRW 100 million	177.1	171.9	148.1	126.0	132.9	131.6	130.4	147.4	163.0	142.2
Proportion to sales		%	1.20	1.10	1.10	0.90	1.0	0.88	0.89	0.98	1.13	1.03

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Environmental Management Implementation

Category		Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Environmental (safety, etc.) management system certification ¹⁾	Percentage of certified plants	%	100	100	100	100	100	100	100	100	100	100
	No. of violations ²⁾	Case	0	0	0	0	0	0	0	0	0	0
	Amount of violation	KRW 100 million	0	0	0	0	0	0	0	0	0	0

1) ISO 14001 and ISO 9001 certifications

2) Disclosures on administrative dispositions amounting to fines or higher sanctions based on Article 22-7 (Revocation of Green Company Designation) of the Enforcement Decree of the Environmental Technology and Industry Support Act.

Environmental Training

Category		Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
No. of participants in environmental training ¹⁾	Total	Person	1,482	1,612	1,163	817	842	890	998	895	1,396	923
	Status by plant	Kimcheon	463	549	256	308	321	363	452	438	1,104	462
		Taejon	239	422	428	420	398	470	327	311	205	205
		Choongju	780	641	479	89	123	57	219	146	87	256
	Total	Hour	2,100	1,409	880	968	1,002	974	924.5	878.5	841	858
Environmental training hours	Status by plant	Kimcheon	965	926	402	380	356	392	363.5	339.5	503	395
		Taejon	255	449	428	453	434	492	342	311	218	205
		Choongju	880	34	50	135	212	90	219	228	120	258

1) Regular environmental training, environmental management, environmental training, EMS personnel, emergency response drills, environmental policies and safety rules, etc.

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Employees

Employment

Category		Unit	2022	2023	2024
Total number of employees		Person	1,470	1,429	1,369
By employment type	Permanent employees	Person	1,441	1,398	1,339
	Contract employees ¹⁾	Person	29	31	30
By job type	Production workers	Person	700	686	654
	Sales workers	Person	135	121	114
	Office workers	Person	770	622	601
By gender	Female	Person	306	296	297
	Male	Person	1,164	1,133	1,072
By country	Korea	Person	1,464	1,424	1,364
	Overseas ²⁾	Person	6	5	5
By age group	Under 30s	Person	65	63	60
	30s – 50s	Person	804	806	745
	Over 50s	Person	601	560	564
Employment rate of persons with disabilities ³⁾		%	2.2	2.2	2.2
Number of national merits recipients		Person	13	11	11
Average years of service		Year	21.7	22.3	22.5

1) Employees with fix-term contracts

2) U.S., China, Canada

3) (Number of employees with disabilities / number of regular employees as of December) * 100, based on standards of the Korea Employment Agency for Persons with Disabilities

New Hires and Turnover

Category		Unit	2022	2023	2024
Total number of new hires ¹⁾		Person	67	41	60
Percentage of new hires by gender	Female	%	48	39	45
	Male	%	52	61	55
Turnover rate ²⁾		%	5.3 ³⁾	3.3	7.1
Voluntary turnover rate ⁴⁾		%	2.8	2.0	1.2

1) Including permanent and contract employees

2) (Total number of employee departures during the year / total number of employees at the end of the previous year) x 100

3) This figure has been revised due to an error of the calculation formula used in the previous reporting period.

4) (Total number of voluntary employee departures during the year / total number of employees at the end of the previous year) x 100

Employee Satisfaction¹⁾

Category		Unit	2022	2023	2024
Number of employee satisfaction survey respondents	Total	Person	1,238	1,214	1,186
	Female	Person	212	209	224
	Male	Person	1,026	1,005	962
Average employee satisfaction survey score	Total	Point	77	76	72
	Female	Point	66	67	59
	Male	Point	79	78	75

1) Scores for the Engagement section of the myVoice survey

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Competency Development Training

Category	Unit	2022	2023	2024
Total training costs	KRW 10,000	60,711	51,975	39,804
Total training hours ¹⁾	Hour	69,748	68,489	80,085
Number of participants (target)	Person	1,470	1,429	1,369
Average training cost per person ²⁾	KRW 10,000	41.3	36.4	29.1
Training hours per person	Hour	47.4	47.9	58.5

1) Calculated including other training not registered in YK Learning from 2024.
2) Total training cost / number of training targets

Health and Safety

Category	Unit	2022	2023	2024	
Number of occupational accidents ¹⁾	Case	1	2	0	
Industrial accident rate ²⁾	%	0.07	0.10	0	
Employee total recordable injury rate (TRIR) ³⁾	Case	0.33	0.58	0.45	
Employee lost time injury rate (LTIR) ⁴⁾	Case	0.07	0.13	0.19	
Supplier lost time injury rate (LTIR) ⁴⁾	Case	0	0	0.15	
Number of fatal accidents	Case	0	0	0	
Occupational illness frequency rate (OIFR) ⁵⁾	%	0	0	0	
Training	Total training hours	Hour	22,770	22,112	18,830
	Number of participants	Person	978	944	901
	Training hours per person	Hour	23.3	23.4	20.9

1) Employees.
2) (Number of accident victims / number of regular employees) x 100
3) Based on KC Reportable (including MTC)
4) Number of accidents resulting in temporary rest of workers under the reporting standards under the Occupational Safety and Health Act x 200,000 / total work hours
5) (Number of occupational illness cases / total work hours) x 200,000

Female Workforce

Category	Unit	2022	2023	2024
Percentage of female employees	%	20.8	20.7	21.7
Percentage of female permanent employees ¹⁾	%	20.2	20.4	20.7
Percentage of women in profit-generating departments ²⁾	%	33.2	39.1	36.6
Percentage of women in STEM departments ³⁾	%	13.1	18.1	18.8
Percentage of female managers (work leader and above ⁴⁾)	%	15.4	15.8	16.5
Percentage of female executives	%	18.2	18.2	18.2

1) (Female permanent employees / total permanent employees) x 100
2) Departments involved in the actual provision of products or services, excluding support positions such as HR, legal, etc.
3) Jobs that use STEM (Science, Technology, Engineering, and Mathematics) skills on the job
4) Work leaders, division leaders, plant managers and function leaders

Maternity and Childcare

Category			Unit	2022	2023	2024
Maternity	Number of maternity leave users		Person	10	4	7
	Return rate after maternity leave ¹⁾		%	100	100	100
Childcare	Number of childcare leave users by gender	Female	Person	14	15	16
		Male	Person	1	2	2
	Childcare leave usage rate for female employees ²⁾		%	100	100	100
	Return rate after childcare leave ³⁾		%	100	90	100
	Retention rate after return from childcare leave ⁴⁾		%	88	100	89

1) Percentage of employees who did not leave the company after maternity leave (including those who took childcare leave and those who returned to work)
2) Percentage of employees who are eligible for maternity leave and used both maternity leave and childcare leave
3) (Actual returnees in the reporting year / scheduled returnees in the same year) x 100
4) (Number of returnees who was working 12 months after return from childcare leave / number of employees who returned from childcare leave in the previous year) x 100

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Recharge Leave Program

Category	Unit	2022	2023	2024
Number of eligible employees	Person	751	721	692
Annual leave days used ¹⁾	Day	19	22	22

1) Average number of annual leave days used, including recharge leave days

Flexible Work System

Category	Unit	2022	2023	2024
Number of employees using selective work system	Person	14	15	15
Number of employees using recognized work system	Person	111	107	101
Number of employees using autonomous work system ¹⁾	Person	137	146	139
Number of employees using remote work system ²⁾	Person	14	13	12

1) Among leaders eligible for the autonomous work system, sales leaders are classified and managed as eligible for the recognized work system.
2) Yuhan-Kimberly has implemented the remote work system since May 2012 to realize the core values of challenge and creativity through harmonizing work and family and enhancing work performance. This system is available to employees with children in the third grade of elementary school or younger and employees who are deemed to require remote work due to other urgent reasons.

Support for Retirement Pensions

	Category	Unit	2022	2023	2024
DC	Number of subscribers	Person	399	438	443
	Amount under management	KRW 1 million	12,767	17,612	21,142
DB	Number of subscribers	Person	969	919	830
	Amount under management	KRW 1 million	206,847	232,658	243,261

Labor Union

Category	Unit	2022	2023	2024
Number of union members	Person	723	701	670
Unionization rate ¹⁾	%	99.7 ²⁾	99.6	99.4
Collective bargaining coverage rate ³⁾	%	100	100	100

1) (Number of union members / number of employees eligible for union membership) x 100
2) In 2022, this figure was rounded to 100. However, it was revised to 99.7% to present to one decimal place.
3) At Yuhan-Kimberly, collective bargaining agreements are generally binding, applying equally to union members and non-union members, and thus cover all employees.

Information Security

	Category	Unit	2022	2023	2024
Information security violations	Number of information security violations ¹⁾	Case	0	0	0
	Number of eligible employees	Person	686	694	638
Training	Number of participants	Person	686	682	638
	Total completion rate	%	100	98.3	100

1) Number of cases in which fines or penalties were imposed by government agencies (such as the Ministry of Science and ICT, the Personal Information Protection Commission, etc.) for violations of laws and regulations.

Product Safety

	Category	Unit	2022	2023	2024
Product safety regulation violations	Number of product safety regulation violations ¹⁾	Case	0	0	0
	Number of voluntary/involuntary product recalls	Case	1	0	0
Labeling and advertising violations	Number of labeling and advertising violations ¹⁾	Case	0	0	0

1) Based on the regulatory standards for each product category.

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Consumer Satisfaction

Consumer Service Status

Category	Unit	2022	2023	2024
Total number of consumer service inquiries	Case	168,892	127,173	189,237 ²⁾
Service inquiries	Case	139,657	102,061	161,205
Product inquiries	Case	29,235	25,112	28,032
Grievance resolution rate ¹⁾	%	100	100	100

1) If the consumer cannot be reached (e.g., due to absence), we attempt to make contact for up to 30 days from the initial request. If the consumer remains unreachable, we will leave a text message stating “We will assist you when you contact us” and change the case status to “completed” according to protocol.
2) From 2024, this figure includes self-service inbound consumer inquiries due to the digitalization of contact point services.

Consumer Satisfaction Status

Category	Unit	2022	2023	2024
Activities to improve satisfaction of dissatisfied consumers	Person	7,574	7,443	5,037 ¹⁾
Consumer satisfaction with consumer service	Point	93.2	96.4	96.3

1) Decrease in the number of consumer complaints requiring satisfaction improvement activities.

Recall Status

Category	Unit	2022	2023	2024
Cost of recall	KRW 1 million	23	0	0

Suppliers

Purchase from Suppliers

Category	Unit	2022	2023	2024
Total number of suppliers	No. of suppliers	1,122	1,250	1,243
Purchase by supplier type	Primary materials	No. of suppliers/ amount (KRW 100 million)	92/3,700	93/3,754
	ECM ¹⁾	No. of suppliers/ amount (KRW 100 million)	56/2,305	60/1,637
	Others ²⁾	No. of suppliers/ amount (KRW 100 million)	974/2,945	1,097/3,170

1) External Contract Manufacturing: companies that produce and supply finished products.
2) Contracting, direct transactions with distribution agencies, advertising agencies, IT, and finance-related companies (contracting and other companies were reported separately until 2023, but they have been reported together since 2024)

Partner ESG Management

Category	Unit	2022	2023	2024
Supplier Assessment Tool (SAT) implementation rate	%	80	71	73
Average score of Supplier Assessment Tool (SAT)	Point	89	88	88
Percentage of new suppliers signing integrity pledges	%	100	100	100

Mutual Growth

Category	Unit	2022	2023	2024
Financial support amount	KRW 100 million	170	170	170
Technical support cases	Technical support	Case	83	65
	Technical protection	Case	6	6
Suppliers receiving manpower support	No. of suppliers	8	14	14

Community

Donations and Membership Fees

Category	Unit	2022	2023	2024
Donations	KRW 1 million	3,127	3,026	3,003
Membership fees for affiliated organizations	KRW 1 million	188	206	204

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GRI Index

Statement of use	Yuhan-Kimberly has reported in accordance with the GRI Standards for the period from January 1, 2024 to December 31, 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Currently not available (as of the date of reporting in June 2025, no standards have been published for the industries applicable to Yuhan-Kimberly)

Topic	Index	Reporting Page	Comment
General Disclosures			
GRI 2 : General Disclosures 2021	2-1 Organizational details	98	
	2-2 Entities included in the organization's sustainability reporting	2	
	2-3 Reporting period, frequency and contact point	2	
	2-4 Restatements of information	46, 101, 102, 106, 107	Data that differ from the previous year are separately noted in the footnotes
	2-5 External assurance	124	
	2-6 Activities, value chain and other business relationships	61, 88, 98	
	2-7 Employees	106	
	2-8 Workers who are not employees	-	We disclose non-affiliated external workers under the employment type disclosure system.
	2-9 Governance structure and composition	8, 25	
	2-10 Nomination and selection of the highest governance body	25	
	2-11 Chair of the highest governance body	N/A	As an unlisted company with no disclosure obligation under the Commercial Code, we do not report this information.
	2-12 Role of the highest governance body in overseeing the management of impacts	8	
	2-13 Delegation of responsibility for managing impacts	8	
	2-14 Role of the highest governance body in sustainability reporting	8, 13	
	2-15 Conflicts of interest	N/A	As an unlisted company with no disclosure obligation under the Commercial Code, we do not report this information.
	2-16 Communication of critical concerns	8, 25	
	2-17 Collective knowledge of the highest governance body	Information unavailable	We do not provide separate training for the board of directors.
	2-18 Evaluation of the performance of the highest governance body	N/A	As an unlisted company with no disclosure obligation under the Commercial Code, we do not report this information.
	2-19 Remuneration policies	10, 25	
	2-20 Process to determine remuneration	10, 25	

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GRI 2 : General Disclosures 2021	2-21 Annual total compensation percentage	Confidentiality Constraints	Not disclosed due to confidentiality
	2-22 Statement on sustainable development strategy	4-5	
	2-23 Policy commitments	26, 36, 75	
	2-24 Embedding policy commitments	26-27, 36-37, 75	
	2-25 Processes to remediate negative impacts	28-31, 76	
	2-26 Mechanisms for seeking advice and raising concerns	28, 76	
	2-27 Compliance with laws and regulations	100, 105, 108	
	2-28 Membership associations (initiatives)	117-119, 124, 125	
	2-29 Approach to stakeholder engagement	11-13	
	2-30 Collective bargaining agreements	108	
Material Topics			
GRI 3 : Material Topics 2021	3-1 Process to determine material topics	13-16	
	3-2 List of material topics	14	
Material Topic 1. Product safety and quality			
GRI 3 : Material Topics 2021	3-3 Management of material topics	13-16, 81-83	
GRI 416 : Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	82	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	108	
Material Topic 2. Packaging and plastics			
GRI 3 : Material Topics 2021	3-3 Management of material topics	13-16, 39-42	
GRI 301 : Materials 2016	301-1 Materials used by weight or volume	39, 104	
	301-2 Recycled input materials used	39, 104	
	301-3 Reclaimed products and their packaging materials	44	
Material Topic 3. Consumer hygiene and health			
GRI 3 : Material Topics 2021	3-3 Management of material topics	13-16, 58-61, 81-83, 87	
GRI 416 : Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	82	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	108	
Material Topic 4. Consumer relations and trust / transparency			
GRI 3 : Material Topics 2021	3-3 Management of material topics	13-16, 81-83, 84-87	
GRI 417 : Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	82, 84, 87	
	417-2 Incidents of non-compliance concerning product and service information and labeling	108	
	417-3 Incidents of non-compliance concerning marketing communications	108	

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GRI 3 : Material Topics 2021	3-3 Management of material topics	13-16, 43-45	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	43	
	306-2 Management of significant waste-related impacts	43	
	306-3 Waste generated	103	
	306-4 Waste diverted from disposal	103	
	306-5 Waste directed to disposal	103	
Material Topic 6. Sustainable product and technology			
GRI 3 : Material Topics 2021	3-3 Management of material topics	13-16, 9, 39-42	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	39, 104	
	301-2 Recycled input materials used	39, 104	
	301-3 Reclaimed products and their packaging materials	44	
Material Topic 7. Greenhouse gases			
GRI 3 : Material Topics 2021	3-3 Management of material topics	13-16, 48-53	
GRI 305 : Emissions 2016	305-1 Direct (Scope 1) GHG emissions	101	
	305-2 Energy indirect (Scope 2) GHG emissions	101	
	305-3 Other indirect (Scope 3) GHG emissions	101	
	305-4 GHG emissions intensity	101	
	305-5 Reduction of GHG emissions	52	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	103	
Material Topic 8. Management of hazardous chemicals			
GRI 3 : Material Topics 2021	3-3 Management of material topics	13-16, 47, 81-83	
SASB	CG-HP-250a.3. Discussion of process to identify and manage emerging materials and chemicals of concern	82	
Material Topic 9. Sustainable Growth Strategy			
GRI 3 : Material Topics 2021	3-3 Management of material topics	13-16, 39-42, 58-65	
Non- GRI	No connectable topic standards	-	
Material Topic 10. Ethical and compliance management			
GRI 3 : Material Topics 2021	3-3 Management of material topics	13-16, 26-28	
GRI 205 : Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	27, 100	
	205-3 Confirmed incidents of corruption and actions taken	100	
GRI 206 : Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	100	

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GRI Index

Topic		Index	Reporting Page		Comment
Non-material Topics					
GRI 201 : Economic Performance 2016	201-1 Direct economic value generated and distributed		99		
	201-2 Financial implications and other risks and opportunities due to climate change		48-50		
	201-3 Defined benefit plan obligations and other retirement plans		68		
	201-4 Financial assistance received from government		100		
GRI 203 : Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported		96		
	203-2 Significant indirect economic impacts		-		2024 Keep Korea Green White Paper p. 19, 29-31
GRI 207 : Tax 2019	207-4 Country-by-country reporting		99		
GRI 302 : Energy 2016	302-1 Energy consumption within the organization		102		
	302-2 Energy consumption outside of the organization		53, 101		
	302-3 Energy intensity		102		
	302-4 Reduction of energy consumption		52		
	302-5 Reductions in energy requirements of products and services		N/A		Yuhan-Kimberly products do not require energy during use.
GRI 303 : Water and Effluents 2018	303-1 Interactions with water as a shared resource		46		
	303-2 Management of water discharge-related impacts		47		
	303-3 Water withdrawal		102		
	303-4 Water discharge		102		
	303-5 Water consumption		46, 102		
GRI 304 : Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		54		
	304-2 Significant impacts of activities, products and services on biodiversity		55		
	304-3 Habitats protected or restored		56-57		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		N/A		No Red List species or national conservation list species are present near the Taejon and Choongju Plants.
GRI 308 : Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		89		
	308-2 Negative environmental impacts in the supply chain and actions taken		90		
GRI 401 : Employment 2016	401-1 New employee hires and employee turnover		106		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		69-71		
	401-3 Parental leave		107		

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GRI Index

Topic	Index	Reporting Page		Comment
GRI 402 : Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	-		Changes to the collective agreement is notified via the intranet on the day of its conclusion or the following day.
	403-1 Occupational health and safety management system	77		
	403-2 Hazard identification, risk assessment, and incident investigation	74, 78, 79		
	403-3 Occupational health services	80		
	403-4 Worker participation, consultation, and communication on occupational health and safety	74		
GRI 403 : Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	80, 107		
	403-6 Promotion of worker health	80		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	78, 79		
	403-8 Workers covered by an occupational health and safety management system	-	100%	
	403-9 Work-related injuries	107		
	403-10 Work-related ill health	107		
GRI 404 : Training and Education 2016	404-1 Average hours of training per year per employee	107		
	404-2 Programs for upgrading employee skills and transition assistance programs	67, 68		
	404-3 Percentage of employees receiving regular performance and career development reviews	68		
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	106, 107		
	405-2 Percentage of basic salary and remuneration of women to men	Confidentiality Constraints		Although we manage the information, it is not disclosed due to information confidentiality.
GRI 406 : Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	100		
GRI 407 : Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	75	No cases of violation	
GRI 408 : Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	75	No cases of violation	
GRI 409 : Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	75	No cases of violation	
GRI 411 : Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	76	No cases of violation	
GRI 414 : Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	89		
	414-2 Negative social impacts in the supply chain and actions taken	90		
GRI 415 : Public Policy 2016	415-1 Political contributions	N/A		No political contributions in accordance with requirements under the Political Funds Act and related regulations.
GRI 418 : Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	108		

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TCFD Index

The Task Force on Climate-related Financial Disclosures (TCFD) recommendations require companies to analyze and disclose the impact of climate change on their financials. Yuhan-Kimberly publishes a sustainability report that reflects the TCFD recommendations and discloses the status of its GHG reduction and performance of each year on an annual basis.

Category	TCFD recommendations	Yuhan-Kimberly's status	Reporting page
Governance	a) The board's oversight of climate-related risks and opportunities	Through the ESG Committee under the Board of Directors, Yuhan-Kimberly discusses ESG issues and climate change. The ESG Committee meets semi-annually to assess climate risks, review and approve response measures and oversee the management of sustainability-related risks and opportunities. The Board of Directors receives reports on key climate change issues from the ESG Committee at least once a year.	48
	b) Management's role in assessing and managing climate-related risks and opportunities	The ESG Committee has the Environmental/Social/Governance Subcommittees, led by the Manufacturing Function Leader, the CEO, and the CFO, respectively, and the secretariat. The subcommittees assess and manage climate-related risks and opportunities. The Manufacturing Function leader, as the subcommittee chairperson, makes decisions on environmental issues and risks, and major agenda items are submitted to the ESG Committee and reported to the Board of Directors.	
Strategy	a) The climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Yuhan-Kimberly has identified climate-related risks for the medium-term (until 2030) and analyzed their potential financial impact. Key risks include rising carbon credit prices, stricter plastic waste management regulations and increased frequency of disasters caused by extreme weather conditions, while opportunities include expansion in the sales of sustainable products.	48-50
	b) The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Yuhan-Kimberly analyzes the impact of climate-related risks and opportunities on its organization's business and financial planning. According to a financial impact analysis for the mid-term (2030), climate change is expected to have a significant financial impact due to damages and losses to buildings, facilities and inventory assets, including potential plant inundation, resulting from as localized torrential rainfall and river flooding.	
	c) The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Yuhan-Kimberly has identified the potential financial impacts of physical risks caused by climate change based on the IPCC's SSP scenario and the Korea Energy Economics Institute's scenario. To strengthen resilience against extreme weather conditions, we plan to establish a monitoring system for climate risks and enhance our crisis response strategies. In addition, based on an analysis of potential financial impacts arising from transition risks related to the trends of plastic regulations, it is expected that over the medium to long term, demand and profitability for eco-friendly products using recycled materials and those with low-carbon certification will increase compared to petrochemical products. In response, Yuhan-Kimberly has set goals to raise the percentage of sales from sustainable products to 95% and reduce plastic usage by 50%, and is taking various measures such as conducting LCA to reduce product carbon footprints and expanding eco-certified product lines. We will continue to make strategic decisions by comparing scenario analysis results with the economic feasibility of reduction measures.	
Risk management	a) The organization's processes for identifying and assessing climate-related risks	Yuhan-Kimberly defines and assesses the risks and opportunities posed by climate change based on the TCFD framework. The risk management process consists of five stages: 'identification of risks and opportunities – development of response strategies and linkage to action plans – status monitoring and implementation review – strengthening execution with manpower and resources – proactive response to implementation risks and securing resilience.' In the 'identification of risks and opportunities' stage, potential financial impacts are assessed based on scenario analysis.	51
	b) The organization's processes for managing climate-related risks	Identified climate-related risks and opportunities are prioritized according to the results of financial impact assessments and incorporated into the KPIs and action plans of the manufacturing and operation functions. In addition, implementation status is monitored through monthly and regular reviews by the MLT and the ESG Committee under the Board of Directors.	
	c) How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Yuhan-Kimberly is making the necessary investments and operating dedicated personnel and organizational structures to implement strategic tasks related to climate change risks and opportunities. We have also established response manuals for potential disruptions that may arise in the course of the implementation and operation of the strategies, while increasing investments to establish more systematic processes.	
Metrics and targets	a) The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Yuhan-Kimberly discloses key indicators such as greenhouse gas emissions and energy usage. As for greenhouse gas emissions, we have set a target of reducing emissions by 25% by 2030 compared to 2015, and progress toward this goal is linked to the KPIs of the Manufacturing Function Leader and the heads of each plant.	52-53
	b) Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	In 2024, the combined Scope 1 and Scope 2 greenhouse gas emissions stood at 199,589 tCO ₂ e, while Scope 3 emissions across 11 categories amounted to 535,575 tCO ₂ e. The main sources of Scope 3 emissions are purchased goods and services and the disposal of products sold. Scope 3 emissions were calculated by LCA, and the scope and methodology of the LCA are disclosed in the Sustainability Report.	
	c) The targets used by the organization to manage climate-related risks and opportunities and performance against targets	Yuhan-Kimberly has allocated specific greenhouse gas reduction targets to each plant in line with its goal of reducing absolute emissions by 25% by 2030 compared to 2015 and shares emission status monthly at the MLT. Additionally, to achieve the goal of raising the percentage of sales from sustainable products to 95% by 2030, we have set targets for each business unit and manage the progress on an annual basis.	

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SASB Index

The SASB standards are industry-specific reporting standards created by the U.S. Sustainability Accounting Standards Board, established in 2011, for the purpose of identifying and reporting important sustainability issues. Yuhan-Kimberly discloses sustainability indicators following the Household & Personal Products standards of the consumer goods sector.

Category	Code	Detailed indicators	Status of Yuhan-Kimberly in 2024	Reporting page
Water management	CG-HP-140a.1	(1) Total water withdrawal (m ³)	4,516,738m ³	102
		(2) Total water consumption (m ³)	599,425m ³	102
		Percentage of each in regions with High or Extremely High Baseline Water Stress (%)	Percentage of water withdrawn in regions with High Baseline Water Stress or above: 2.22% Percentage of water consumed in regions with High Baseline Water Stress or above: 12.15%	46
	CG-HP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	We monitor the water resource risks of the regions where our plants are located based on the scenario analysis utilizing WRI's Aqueduct Tool. We minimize water-related risks around our plants by replacing leaky pipelines, requiring all tissue machines to meet quarterly targets, and conducting water management task-force activities.	46
Product Environmental, Health and Safety Performance	CG-HP-250a.1	Revenue from products that contain REACH substances of very high concern (SVHC)	We ensure product safety on all stages from product development and production to consumer use. To this end, we monitor compliance with internal management standards and domestic laws and regulations and have global product safety experts verify such compliance. None of our products contain REACH substances of very high concern.	81-83
	CG-HP-250a.3	Discussion of process to identify and manage emerging materials and chemicals of concern	In principle, we voluntarily restrict the use of materials of safety concern, while monitoring the materials of concern and taking appropriate actions at least semi-annually in accordance with the Serious Accidents Punishment Act. The list of chemicals of concern are constantly amended based on the safety assessment that takes into account the latest regulatory trends in Korea and abroad, consumer safety, and academic data.	82
	CG-HP-250a.4	Revenue from products designed with green chemistry principles	Our revenue from eco-labeled products in 2024 is KRW 29.2 billion.	104
Packaging Lifecycle Management	CG-HP-410a.1	(1) Total weight of packaging (ton)	4,362 ton	-
		(2) Percentage made from recycled or renewable materials (%)	35%	9, 15, 39, 104
		(3) Percentage that is recyclable, reusable or compostable (%)	Based on our Guidelines for Development of Sustainable Products and Packaging, we increase the recyclability of our products while managing the recycling grade according to the results of the material structure evaluation of packaging, as well as the targets to increase the amount of recycled plastic used for packaging.	39-42
	CG-HP-410a.2	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	We have built our own LCA simulation tool to identify issues with highly contributing to environmental impacts and are conducting scenario analysis in line with our reduction goals, for the purpose of reducing the environmental impact of packaging throughout its lifecycle.	40
Environmental & Social Impacts of Palm Oil Supply Chain	CG-HP-430a.1	Amount (ton) of palm oil sourced, percentage (%) certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance or (d) Book & Claim	In 2024, we purchased 26.02 tons of raw materials (Formulated Solutions) containing palm oil, none of which is RSPO certified.	104
Activity Metrics	CG-HP-000.A	Units of products sold, total weight of products sold (ton)	Due to the diversity of our product portfolio, we do not disclose information on the units and total weight of products sold.	-
	CG-HP-000.B	Total number of production sites	Three (Taejon Plant, Kimcheon Plant, Choongju Plant)	2, 98

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Compliance with 10 Principles of the UN Global Compact

UNGC Compliance Status

Category	10 Principles	Yuhan-Kimberly's Efforts in 2024	Reporting Page
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights.	- Released human rights management declaration and declared 8 principles of human rights management - Distributed the Supply Chain Code of Conduct - Declared Emotional Laborers' Human Rights Protection Policy - Operated a dedicated organization for human rights - Operated Yuhan-Kimberly I&D Committee	72, 75-76, 88-89
	2. Businesses make sure that they are not complicit in human rights abuses.	- Conducted personal information protection training - Conducted employee code of conduct training - Operated a grievance handling channel and process for each stakeholder group - Identified potential human rights risks through company-wide myVoice satisfaction survey - Assessed compliance with human rights regulations by conducting capability assessment (SAT) for key suppliers - Participated in Kimberly-Clark's Supply Chain Human Rights (SCHR) program to measure compliance with key human rights areas such as child labor, forced labor and discrimination	26-28, 34, 75-76, 89-90
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	99.4% of labor union participation rate; applied collective bargaining to all employees - Conducted Central Labor-Management Council, Labor-Management Councils for each plant and Grievance Handling Committee meetings on a quarterly basis - Conducted Labor-Management Grand Discussion	73, 108
	4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	- Included a forced labor clause in the human rights management declaration - Complied with employment regulations and collective agreements - Ensured agreement on compliance with social standards—including a forced labor clause—when engaging with new suppliers, and conducted business only with those who adhere to these standards	73, 75, 89-90
	5. Businesses should uphold the effective abolition of child labour.	- Included a child labor clause in the human rights management declaration - Included a child labor clause in the Supply Chain Code of Conduct - Ensured agreement on compliance with social standards—including a child labor clause—when engaging with new suppliers, and conducted business only with those who adhere to these standards	75, 88-90
	6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	- Female employee percentage of 21.7% 100% of return rate after maternity leave 100% of return rate after childcare leave - Ensured agreement on compliance with social standards—including a non-discrimination clause—when engaging with new suppliers, and conducted business only with those who adhere to these standards	88-89, 106, 107

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Compliance with 10 Principles of the UN Global Compact

Category	10 Principles	Yuhan-Kimberly's Efforts in 2024	Reporting Page
Environment	7. Businesses should support a precautionary approach to environmental challenges.	• Implemented Environmental Management 3.0 • Conducted the Keep Korea Green campaign • Monitored environment, climate change and sustainability issues through ESG Self-Assessment • Analyzed potential financial impacts based on climate change scenario analysis • Identified potential risks using Aqueduct, water risk assessment tool of the World Resources Institute (WRI)	9-10, 36, 46, 48-51, 92-93
	8. Businesses should undertake initiatives to promote greater environmental responsibility.	• Operated the ESG Committee and the ESG Environmental Subcommittee that reports directly to the CEO • Conducted the Green Action Alliance for the establishment of a sustainable ecosystem across the industry • Created the Yeoncheon Honey-Source Native Plant Honeybee Forest for honeybee biodiversity preservation • Collaborated with Baekdudaegan National Arboretum for establishment of ex-situ conservation system for Korean Fir • Commenced restoration of Changgyeonggung Palace Forest • Managed sustainable pulp supply policy • Supported and invested in startups leading social/environmental innovation through the Green Impact Fund Project • Conducted waste upcycling activities with non-profit startups through Open Innovation	8-9, 39, 44-45, 64, 92-93, 95
	9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	• Developed and manufactured products to achieve the target of 95% of sales from sustainable products by 2030 • Conducted Life Cycle Assessment (LCA) for major products • Established a strategy to replace plastics and mid- to long-term goals for packaging; monitored progress • Expanded the project to establish a resource circulation process for hand towels	9, 39-42, 43-44
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	• Participated in the Declaration of CEO at the Yoonkyung ESG Forum for 22 consecutive years • Participated in the UN Global Compact anti-corruption pledge • Conducted code of conduct training and education on conflict of interest for all employees • Provided additional training on laws such as the Monopoly Regulation and Fair Trade Act and the Fair Transactions in Subcontracting Act to departments with high relevance • Issued newsletters on eradication of unfair trade practices	26-28, 88, 91, 119

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Compliance with 10 Principles of the UN Global Compact

UNGC Compliance Status

Yuhan-Kimberly was recognized as a UN Global Compact Leadership Excellence and Development (LEAD) company for the fourth consecutive year at the 2024 UNGC Korea Leaders Summit, organized by the UN Global Compact Network Korea. The UNGC Korea Leaders Summit is a forum that disseminates and shares the sustainability agenda of companies and the international community, including the four core values promoted by the UNGC—human rights, labor, environment, and anti-corruption—as well as the UN's Sustainable Development Goals (SDGs). Various stakeholders, including member companies, government representatives, international organizations, academia, and civil society leaders, have participated in this summit. At this summit, Yuhan-Kimberly was recognized as a leading company in the fields of human rights, labor, environment, anti-corruption, and SDGs among Korean member companies that support the UNGC's 10 principles and have embedded these principles into their strategies and policies. Hence, we were selected as a LEAD company by the UNGC Network Korea.

UN Guiding Principles Reporting Framework

Category		Reporting Principle	Reporting Page
Governance of respect for human rights	A1. Policy commitment		26, 75-76, 88
	A2. Embedding respect for human rights		26-27, 75-76
Defining the focus of reporting	B1. Statement of salient issues		14-16, 26, 30, 75, 88, 100
	B2. Determination of salient issues		13, 75, 89
	B3. Choice of focal geographies		75, 88
	B4. Additional severe impacts		N/A
Management of salient human rights issues	C1. Specific policies		26, 75-77, 84, 88, 91
	C2. Stakeholder engagement		11-13, 28, 73-76, 85, 87
	C3. Assessing impacts		13-14, 30, 75, 89-90
	C4. Integrating findings and taking action		8, 15-16, 30-31, 75-76, 89-90
	C5. Tracking performance		13-14, 30, 75-76, 86
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Activities to Contribute to UN SDGs

The United Nations Sustainable Development Goals (UN SDGs), proposed by the UN for the sustainable development of the international community, contain 17 goals and 169 targets for economic growth, social inclusion, and sustainable environment. At Yuhan-Kimberly, we support the UN SDGs and are committed to contributing to the realization of sustainable development around the world through our operations and business activities. In order to fulfill our roles and responsibilities as a company, we will continue to actively work toward the achievement of the UN SDGs.

UN SDGs		Principles	Targets	Yuhan-Kimberly's Activities	Reporting Page
Goal 1: No poverty		End poverty in all its forms everywhere.	1.3 Substantial coverage of the poor and the vulnerable	• 'Hope Bank' diaper donation campaign for underprivileged children in local communities • Sanitary pad donation campaign, 'Cheer Up Daughters', for marginalized adolescents	94-95
Goal 3: Good health and well-being		Ensure healthy lives and promote well-being for all at all ages.	3.2 End preventable deaths of newborns and children under 5 years of age	• Producing and donating Huggies ultra-small diapers for preemies	94
			3.7 Ensure universal access to sexual and reproductive health-care services	• Providing menstrual education content through the 'Daldabang', women's wellness app • Operating menstruation-related information blogs such as 'We are on period' / 'We have menstruation' • Providing menstrual education and raising awareness; conducting 'Hope for Daughters' sanitary pad donation campaign	63, 95
			3.8 Achieve universal access to quality essential health-care services for all	• Operating the Today Plus hygiene healthcare platform to support healthy lifestyles	95
			3.9 Reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution	• Established standards for 190 substances of safety concern that are voluntarily restricted • Establishing a product safety system considering consumer safety and disclosing related information • Conducting chemical ingredient reviews (K-REACH, RoHS, etc.) and separately storing hazardous substances	47, 81, 82
Goal 4: Quality education		Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	4.4 Increase the number of youth and adults who have relevant skills for employment, decent jobs and entrepreneurship	• Operating training programs to enhance leadership, job expertise, digital and global capabilities for employees • Operating various support programs—including technology development support and enhancement of specialized capabilities—to strengthen suppliers' competitiveness	67-68, 91
Goal 5: Gender equality		Achieve gender equality and empower all women and girls.	4.5 Eliminate discrimination in education based on gender, disabilities, and ethnicity	• Creating an NGO leadership fund to strengthen women's rights leadership	94
			5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate	• Operating flexible work systems and recharging vacation systems • Implementing family-friendly management by providing various programs including prenatal leave and remote work for female and male employees during childbirth and parenting periods, in addition to legal requirements • Inviting male employees with expecting spouses and their team leaders as well as expecting employees to a "Prospective Parent Meeting" to provide information on the company's policies on maternity and parenting and encourage them to utilize the relevant systems	69, 70
			5.5 Ensure women's participation for leadership at all levels of decision-making in political, economic and public life	• Operating K-WIN, a voluntary in-house network to nurture female talents • Establishing a 2030 goal on percentage of high-ranking female leaders and disclosing the progress towards the goal	71-72
			5.6 Ensure universal access to sexual and reproductive health and reproductive rights to all women and girls	• Implementing the 'Goodfeel Cheer Up Daughters' campaign, which donates sanitary pads to marginalized youth (over 11 million pads donated as of 2024) • Annually reviewing and identifying targets in need of sanitary pad support, such as out-of-school girls and self-supporting youth not covered by existing welfare systems, and donating products	94-96

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UN SDGs	Principles	Targets	Yuhan-Kimberly's Activities	Reporting Page
Goal 6: Clean water and sanitation		Ensure availability and sustainable management of water and sanitation for all.	6.2 Achieve access to adequate and equitable sanitation and hygiene for all and end open defecation	94-95
			6.3 Improve water quality by reducing pollution, minimizing release of hazardous chemicals and materials, and substantially increasing recycling and safe reuse globally	
			6.4 Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater	46-47
			6.6 Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes	46-47
Goal 7: Affordable and clean energy		Ensure access to affordable, reliable, and modern energy for all.	7.2 Increase global percentage of renewable energy	52-53
			7.3 Improve energy efficiency	52-53
			8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added sectors	39-40, 53, 45, 60-61
Goal 8: Decent work and economic growth		promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	95
			8.8 Protect labor rights and promote safe and secure working environments for all workers, in particular those in precarious employment	76, 69-70
Goal 9: Industry, innovation and infrastructure		Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes	44, 52-53

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UN SDGs	Principles	Targets	Yuhan-Kimberly's Activities	Reporting Page	
Goal 10: Reduced inequalities		Reduce inequality within and among countries	10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race or religion, etc.	• Operating the 3rd Inclusion and Diversity Committee • Supporting social venture entrepreneurs to expand senior business opportunities through the 'Senior Impact Fellowship'	72, 95
			10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.	• Specifying non-discrimination in the human rights management declaration • Including a non-discrimination clause in the Supply Chain Code of Conduct • Planning to publish a Minority Report as part of efforts to reduce internal bias and discrimination	72, 75, 88
			10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.	• Donating products from major brands such as Huggies, Goodfeel, and Kleenex to economically disadvantaged groups • Operating the "Hope Bank" program that aims to deliver diapers to childcare facilities, infant households, and other socially vulnerable children	94, 95
Goal 11: Sustainable cities and communities		Make cities and human settlements inclusive, safe, resilient and sustainable	11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage	• Continuously managing the Sustainable Pulp Procurement Policy	9, 56
			11.5 Reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses caused by disasters	• Identifying financial impact of physical risks (torrential rain) caused by climate change • Installing flood barriers under the Flood Management and Mitigation Program of the Taejon Plant • Establishing a Task Force for each plant dedicated to preventing damage from storms and floods	50-51
			11.6 Pay special attention to air quality and municipal and other waste management	• Managing each plant's air quality, water quality, soil and waste through the ISO 14001 and the Ministry of Environment's integrated environmental management system	47
Goal 12: Responsible consumption and production		Ensure sustainable consumption and production patterns	12.2 Achieve the sustainable management and efficient use of natural resources	• Establishing mid- to long-term goals regarding reduction of water and carbon footprints, use of sustainable pulp and recycled paper, and forest • Developing sustainable resources/materials and promoting supply transition through the Green Action Alliance	9, 44
			12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle and significantly reduce their release to air, water and soil	• Utilizing sustainable product development guidelines based on the 3R (Reduce, Reuse, Replace) principle	42
			12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse	• Reusing primary materials, e.g., trim of non-woven fabrics from Taejon Plant • Recycling plastic waste and conducting upcycling activities through open innovation	42-45
			12.6 Adopt sustainable practices and integrate sustainability information into their reporting cycle	• Reporting the status of the target to reach 95% of sales from sustainable products, reduction of environmental impacts in manufacturing and management of supply chain, etc. through the annual Sustainability Report	9, 39-42
			12.8 Ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	• Providing employee ESG education • Conducting various campaigns, e.g., minimization of paper printing, use of personal cups and the World Environment Day, etc. • Conducting the Hand Towel Recycling Campaign and the 'Keep Korea Green' campaign	37, 44, 57, 92-93

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Activities to Contribute to UN SDGs

UN SDGs	Principles		Targets	Yuhan-Kimberly's Activities	Reporting Page
Goal 13: Climate action		Take urgent action to combat climate change and its impacts	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	• Prioritizing relevant issues through materiality assessment and potential risk assessment • Identifying climate change-related risks, opportunities, and financial impacts • Allocating 30% of CAPEX to environmental improvement investments	10, 13, 30, 48-51
			13.2 Integrate climate change measures into national policies, strategies and planning	• Contributing to the national goal of reducing GHG emissions through the GHG Emission Trading System • Establishing mid- to long-term goals for reduction of GHG emissions • Managing the supply chain GHG emissions by establishing the Scope 3 management system	52-53
			13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	• Operating the ESG Committee and the Environmental Subcommittee under the CEO's direction	8
Goal 14: Life below water		Conserve and sustainably use the oceans, seas and marine resources for sustainable development	14.1 Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris	• Replacing plastic and reducing waste by complying with the Guidelines for Development of Sustainable Products	39-42
Goal 15: Life on land		Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	15.1 Ensure the conservation, restoration and sustainable use of forests, wetlands, mountains and drylands	• Conducting restoration activities in East Coast wildfire-affected area	92
			15.2 Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally	• Conducting forest environmental campaigns, including 'Keep Korea Green'	92-93
			15.3 Combat desertification and restore degraded land and soil, including land affected by desertification, drought and floods	• Conducting nurturing projects in Yuhan-Kimberly Forest in Mongolia and desertification prevention forest research projects	93
			15.5 Reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species	• Creating the Yeoncheon Honey-Source Native Plant Honeybee Forest for honeybee biodiversity preservation • Collaborating with Baekdudaegan National Arboretum for establishment of ex-situ conservation system for Korean Fir	93
Goal 16: Peace, justice and strong institutions		Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.3 Promote the rule of law and ensure equal access to justice for all	• Conducting annual code of conduct training and education on conflict of interest for all employees • Providing additional training on laws such as the Monopoly Regulation and Fair Trade Act and the Fair Transactions in Subcontracting Act to departments with high relevance • Operating a channel to report violations of the Code of Conduct • Operating the fair trade compliance program	26-28, 76, 91
			16.5 Substantially reduce corruption and bribery in all their forms	• Including an anti-corruption clause in the Code of Conduct • Participating in the Declaration of CEO at the Yoonkyung ESG Forum for 22 consecutive years • Participated in the UN Global Compact anti-corruption pledge • Issuing newsletters on eradication of unfair trade practices	26-27, 119
			16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels	• Engaging various stakeholders in management, including Labor-Management council and communication with the labor union	73-74
Goal 17: Partnership for the goals		Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	17.16 Enhance the Global Partnership, complemented by multi-stakeholder partnerships that share knowledge, expertise, technology and financial resources	• Participating in UN Global Compact activities from 2017, when the UN Global Compact Network Korea was established, and adhering to its ten principles • Contributed to the UN Global Compact Network Korea Development Fund • Executing the Green Action Alliance MOU to build a sustainable ecosystem throughout the industry	19, 44, 71, 75, 117-119

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Third-Party Assurance Statement

To: The Stakeholders Yuhan-Kimberly

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the “Assurer”) was requested to verify the 2024 Yuhan-Kimberly Sustainability Report (hereinafter referred to as the “Report”). The Assurer is independent of the Yuhan-Kimberly and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the Yuhan-Kimberly report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by Yuhan-Kimberly and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

Yuhan-Kimberly is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Yuhan-Kimberly only.

The Assurer is responsible for providing Yuhan-Kimberly management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of Yuhan-Kimberly. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than Yuhan-Kimberly in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with Yuhan-Kimberly includes the following:

- Reporting contents during the period from January 1st to December 31st 2024 included in the report, some data included the first half of 2025.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- In Accordance with the four principles of AA1000 AccountAbility in the report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the report.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by Yuhan-Kimberly.

[Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

[Topic Standards]

201-1~4, 203-1~2, 205-2~3, 206-1, 207-4, 301-1~3, 302-1~5, 303-1~5, 304-1~4, 305-1~5, 305-7, 306-1~5, 308-1~2, 401-1~3, 402-1, 403-1~10, 404-1~3, 405-1~2, 406-1, 407-1, 408-1, 409-1, 411-1, 414-1~2, 415-1, 416-1~2, 417-1~3, 418-1

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staffs on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the Yuhan-Kimberly HQ to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with Yuhan-Kimberly. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

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Opinion Statement

The assurer was carried out by a team of sustainability report assurors in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that Yuhan-Kimberly's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

Inclusivity: Stakeholder Engagement and Opinion

Yuhan-Kimberly defined key Stakeholder Groups (Shareholders, Customers, Partner, Local community/Government and Employee). In order to collect opinions by each stakeholder group in the context of sustainability, operated the stakeholder engagement process. Yuhan-Kimberly conducted a review of the stakeholder engagement process at the Steering Committee in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. Yuhan-Kimberly disclosed the results related to the process in the Report.

Materiality: Identification and reporting of material sustainability topics

Yuhan-Kimberly implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. In the materiality assessment, Yuhan-Kimberly conducted the analysis of global sustainability disclosure and evaluation standards to derive the impact and financial materiality. Yuhan-Kimberly derived 10 material issues through the process, and disclosed GRI topic standards disclosures related to material issues in the Report.

Responsiveness: Responding to material sustainability topics and related impacts

Yuhan-Kimberly operated a management process for material issues in the context of sustainability derived from the materiality assessment. Yuhan-Kimberly established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. Yuhan-Kimberly disclosed the process including policy, indicator, activity and response performance on key issues in the Report.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

Yuhan-Kimberly identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material issues reported. Yuhan-Kimberly established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material issues at the governance level, disclosed mid- to long-term plans and strategic system in the Report.

Findings and conclusions concerning the reliability and quality of specified performance information

Among the GRI Topic Standards, the following disclosure related Economic, Social and Enviromental were carried out in a assurance Type 2 based on the information and data provided by the reporting organization. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the report were not found through assurance processes. The reporting organization manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected during the assurance process and prior to the publication of the report, and the assurer confirmed the final published report with the errors and expressions corrected.

- GRI Topic standards: 201-2, 205-2~3, 206-1, 301-1~3, 302-1~4, 303-1~5, 304-1~3, 305-1~5, 305-7, 306-1~5, 308-1~2, 401-1, 401-3, 403-1~10, 404-1~3, 405-1, 406-1, 414-1~2, 416-1~2, 417-1~3

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance; Considering the industry and business characteristics of Yuhan-Kimberly,

- Yuhan-Kimberly established key value-chains, based on the identification boundaries and characteristics of value-chains. It may be helpful to lead the sustainability management system by advancing the sustainability impact anlsys system.
- Yuhan-Kimberly operated the sustainability data collection process. In accordance with the global sustainability information collection methodology and procedures operated by Yuhan-Kimberly, It may be helpful to advance the sustainability management system by strengthening management systems and internal control procedures such as defining internal sustainability indicators.

GRI-reporting

Yuhan-Kimberly provided us with their self-declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by Yuhan-Kimberly. The sector standard was not applied.

Issue Date: 23/06/2025
For and on behalf of BSI (British Standards Institution):

BSI representative



Jungwoo Lee,
Lead Assurer, LCSAP

Seonghwan Lim,
Managing Director of
BSI Korea

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Greenhouse Gas Verification Statement

Greenhouse Gas Emissions

Verification Target

Korean Foundation for Quality (hereinafter ‘KFQ’) has conducted a verification of Greenhouse Gas Emissions (hereinafter ‘GHG Inventory’) of Yuhan-Kimberly CO. Ltd¹⁾ (hereinafter ‘Company’) for 2024.

1) Address (based on headquarters): 300, Olympic-ro, Songpa-gu, Seoul, Republic of Korea

Verification Purpose

The purpose is to ensure the reliability of the company’s GHG Report in relation to the operation of the Emissions Trading Scheme.

Verification Scope

KFQ’s verification covered on all facilities and emission sources under the operational control and organizational boundary of the Company during 2024.

Verification Criteria

The verification process was based on [Rule for emission reporting and certification of GHG emission trading Scheme²⁾], [Rules for verification of operating the GHG emission trading scheme³⁾] and [ISO14064-3] for every applicable part.

2) Notification No. 2025-28 of Ministry of Environment

3) Notification No. 2024-169 of Ministry of Environment

Level of Assurance

The Verification has been planned and conducted as the ‘Rules for verification of operating the greenhouse gas emission trading scheme’, and the level of assurance for verification shall be satisfied as reasonable level of assurance. And it was confirmed through an internal review whether the process before the verification was conducted effectively.

Verification Limitation

The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

Verification Opinions

Regarding to the data of the Greenhouse Gas Emission Consumption from the report through the verification, KFQ provides our verification opinions as below;

- 1. GHG emissions have been appropriately calculated according to the “Rule for emission reporting and certification of GHG emission trading Scheme” and “ISO14064-1:2018” methodologies.
- 2. The company’s GHG emissions are less than 500,000 tCO₂-eq, complying with the materiality threshold of below 5% of total emissions.
- 3. Thus, KFQ concludes that GHG Emissions of Company in 2024 is correctly calculated and reported in accordance with “Rule for emission reporting and certification of GHG emission trading Scheme”.

Unit: tCO ₂ eq		
Scope 1	Scope 2	Total
28,083.606	171,508.146	199,589

* The totals in this verification statement represent the emissions for allowance surrender and do not match the totals in emission trading scheme because the total emissions of each facility are calculated by truncating to integer units
* This value is based on the baseline emissions standard for 2024 emission allowance submissions.

June 13th, 2025
CEO **Ji-Young Song**
Korea Foundation for Quality

Ji Young Song

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Key Awards, Certifications and Collaboration Partners

Key Awards and Certifications

(Chronological Order)

Category	Date	Detail
Overall sustainability	November 2024	Special National Quality Award Presidential Citation for Sustainable Management
	November 2024	Selected as a UN Global Compact Leadership Excellence and Development (LEAD) company for the fourth consecutive year
	November 2024	Gold Award at the 2024 Spotlight Awards for the Sustainability Report
	November 2024	Ranked 1st in the household goods category of the Korean Sustainability Index (KSI) selected by the Korean Standard Association
	November 2024	Sustainability Report Award in the manufacturing category of the KRCA selected by the Korean Standard Association
	February 2025	Selected as Korea's Most Admired Companies for the 22nd consecutive year
Certification	April 2024	Taejon Plant, 1st quasi-drug GMP for tampons
	August 2024	Consumer Satisfaction Center, 1st KS certification among household goods companies
	November 2024	Kimcheon Plant, obtained the FSC® CoC certification
Economy	March 2024	Paper-packed handwash, awarded with the 2024 iF Design Award
	July 2024	Kleenex, Ranked 1st in the toilet paper industry in Global Customer Satisfaction (GCSI)
	August 2024	Huggies, ranked 1st in the diaper category in the Korea Brand Award
	October 2024	Ranked 1st in the toilet paper industry in the Korea Customer Satisfaction Index
	November 2024	1st place in the toilet paper industry according to the KNPS (Korean Net Promoter Score)
	March 2025	Slide cap for wet wipes, awarded with the 2024 iF Design Award
	March 2025	White and Goodfeel, 1st and 2nd place in the sanitary pad category of the Korea Brand Power Index
	March 2025	Huggies, 1st place in the diaper category of the Korea Brand Power Index
	March 2025	Depend, 1st place in the senior diaper category of the Korea Brand Power Index
	March 2025	Kleenex, selected as Korea's No. 1 for Brand Star in the toilet paper category
	March 2025	Huggies, ranked 1st in the diapers industry in the Korea Purchase Ease Index
	April 2025	Kleenex, selected as one of 100 top brands in Korea
Society & Environment	February 2024	Huggies, awarded with the plaque of appreciation from Childfund Korea for its care for preemies
	September 2024	Taejon Plant, selected as an Excellent Company in Voluntary Reduction of Fine Dust
	November 2024	Received Human Resource Development Grand Prize
	December 2024	Obtained approval for integrated environmental management system for the three manufacturing plants

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Key Awards, Certifications and Collaboration Partners

Status of collaboration partners within local communities in 2024

Alphabetical Order (by Korean Alphabet)		
Classification	Scope	Details
Major societies and associations (35)	Headquarters Common	Business Management Committee, Organization of Consumer Affairs Professionals in Business, Green Company Council, Korean Nurses Association, Korean Bar Association, Korea Industrial Safety Association, Korea Cosmetic Association, Meerae Forum, Korea Fire Safety Management Association, Korea Safety Equipment Association, UN Global Compact Network Korea, Yoonkyung ESG Forum, Association of Dangerous Substances Director, Federation of Korean Industries, Korean Enterprises Federation, Fair Competition Federation, Korea Society of Toxicology, Korea International Trade Association, Korea Industrial Technology Association, Korea Fire Safety Institute, Korea Medical Devices Industry Association, Korea CISO Association, Korea Paper Association, Korea Paper Resource Association
	Manufacturing Plants	Kyeongbuk Enterprises Federation, Gyeongbuk Environmental Engineering Federation, Kimcheon Chamber of Commerce & Industry, Kimcheon Social Club, Kimcheon Environmental Safety Director Association, Daegu Gyeongbuk Environment Protection Association, Daeduk Industrial Engineer Association, Daejeon Sejong Chungnam Environmental Engineers Federation, Daejeon Chungnam Environment Protection Association, Chungbuk Environment Protection Association, Choongju High-tech Complex Association
Major collaboration organizations (47)	Business Collaboration	3, 4 Industrial Complex Management Conference, KOKJE, Institute for Industrial Policy Studies, Hygiene Product Business Consultation Body, Korea Exchange, Korean Academic Society of Business Administration, Korea Management Association, Korean Association of Gerontology and Geriatrics, Korea AEO Association, Korea Technical Association of The Pulp and Paper Industry, Korean Society for Quality Management, Korea Toilet Association, Toilet Paper Fair Trade Association
	Social Responsibility	Gyeongbuk Fostercare Center, Gyeongbuk Community Chest of Korea, Gyeongbuk Welfare Center for the Blind, Climate Change Center, National Council of the Green Consumers Network in Korea, Green Korea United, Daejeon Community Chest of Korea, Daejeon Hanter Protected Workplace, Literature House Seoul, Love Asia, Friends of Love, Community Chest of Korea, Forestry Cooperative in Korea, Seoul Green Trust, Seoul Korean Federation for Environmental Movement, Seoul YWCA, Forest for Life, Womenlink, Choongju Social Welfare Joint Committee, Choongju New Village Association, Choongju Senior Club, Chung-Ju Center for Independent Living, Peace Forest Work, People and Peace Link, Korea Arboreta and Gardens Institute, Korea Women's Association United, Korea Women's Hot-Line, Korea Foundation for Women, Work Together Foundation, Korea Federation for Environmental Movements, Citizen's Movement for Environmental Justice, K-Green Foundation, AFoCO, K-WIN

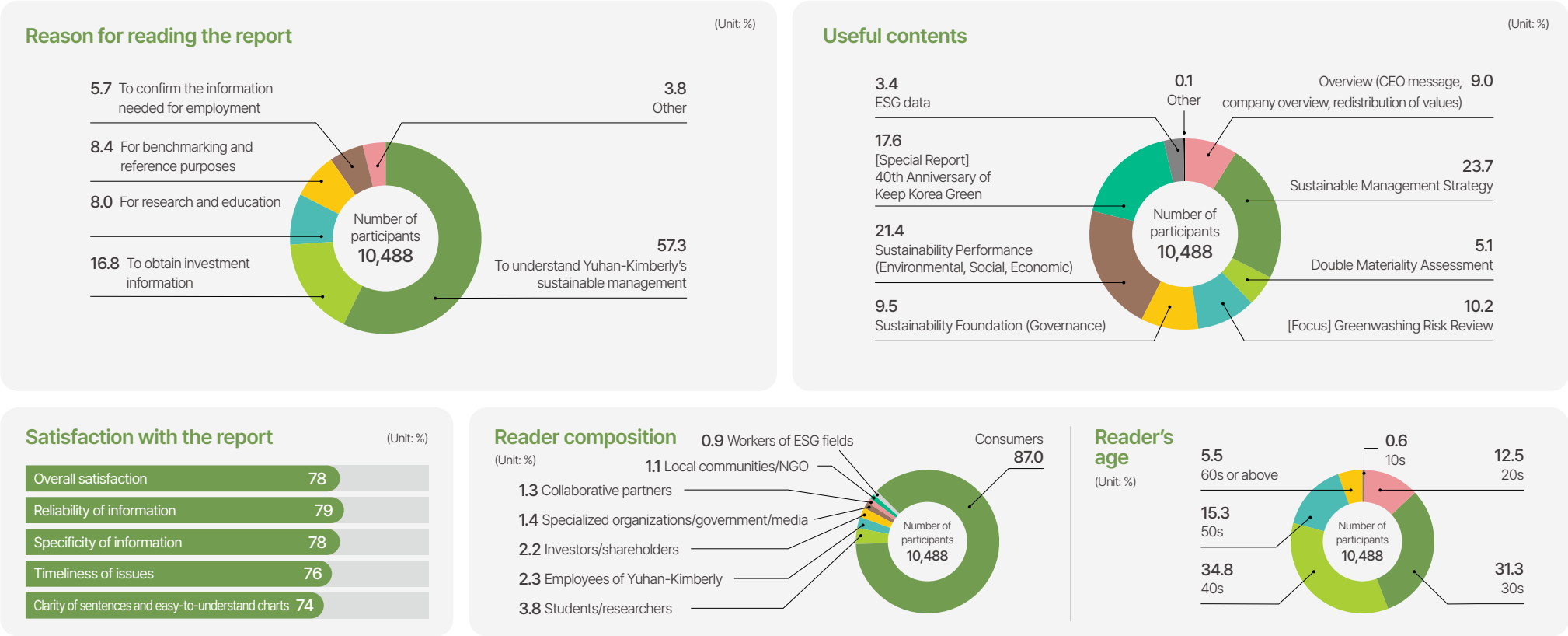
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Sustainability Report Reader Feedback

Yuhan-Kimberly communicates its efforts for sustainable management both internally and externally through its Sustainability Report. We also seek to create better reports by collecting reader feedback each year. We have analyzed the reader the feedback from 10,488 readers who shared their opinions after reading the Sustainability Report for the last year. The feedback provided by readers is a valuable driver for improving the Sustainability Report.



As a result of these efforts, Yuhan-Kimberly's Sustainability Report ranked 1st in the household goods category of the 2024 Korean Sustainability Conference of the Korean Standards Association and received the Sustainability Report Award at the KRCA for the second consecutive year. Furthermore, it won the Gold Winner award in the CSR Report category at the 2024 Spotlight Awards—the international communications competition hosted by the League of American Communications Professionals—where it was also ranked among the Top 100 Worldwide. Yuhan-Kimberly will continue to value our readers' opinions and strive for ongoing communication and improvement for better reporting in the future.



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'People: Our Strength and Source of Hope' is the name of Yuhan-Kimberly's Sustainability Report. Sustainable management was an expression of our resolution that we must solve the many challenges ahead of us based on respect for life and humanity. We remember our original intention by featuring on the cover the image of people who look most comfortable and happy amidst nature and others.



Publication Date June 2025 Publisher JayHoon Lee Editor YangSook Jeon Overall Coordination and Writing SeungPhil Lee, NaYeong Lim, IRe Cho, ChanSoon Choi, YoonHa Kim
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