

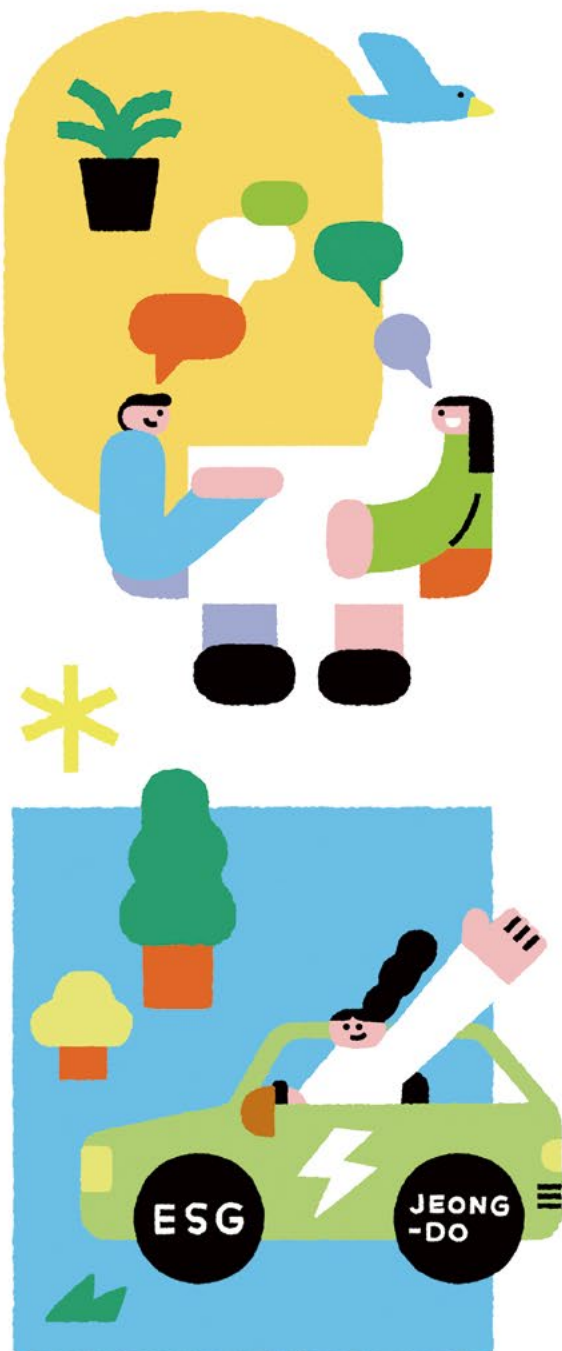
2023

# DONG-A SOCIO GROUP

## HAPPINESS MANAGEMENT REPORT

Human Rights & Human Capital Report





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# Dong-A Socio Group Human Rights Management



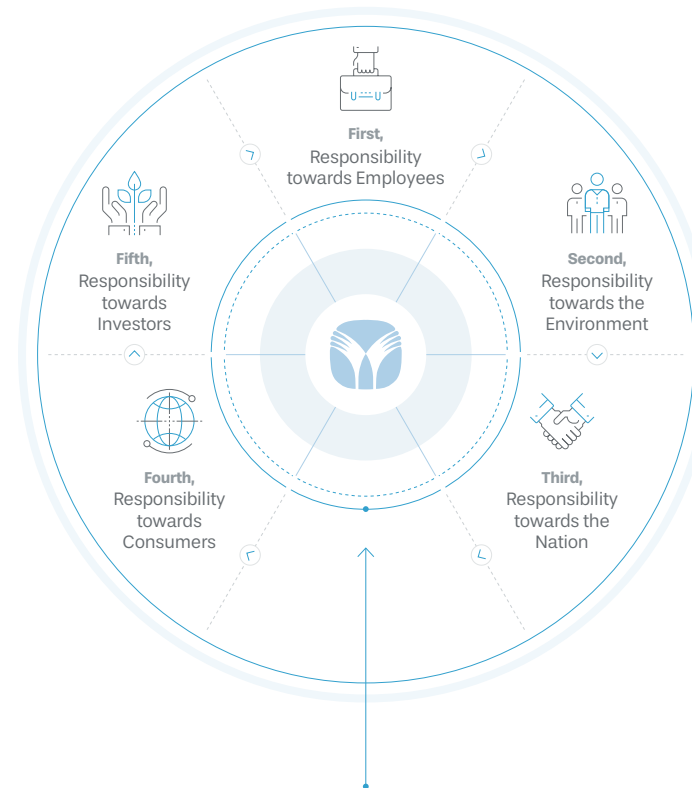
To fulfill the demands of social justice, we endeavor to fulfill our corporate social responsibility. We also use new sciences and technologies to contribute to the promotion of human health and welfare.



The social responsibility reflected in Dong-A Socio Group's philosophy is the center of our human rights management, and at the center of our human rights management is employee happiness. Based on our founding principles of integrity, sincerity, and consideration, we are practicing human rights management to fulfill our responsibilities toward employees as well as various stakeholders that surround Dong-A, including the environment, the nation, consumers, and investors.

Dong-A Socio Group's human rights management is being implemented sincerely and systematically according to the Jeong-Do management philosophy that has continued for more than 90 years and international standards on corporate social responsibility (ISO 26000). To make clear our commitment towards human rights management, the Dong-A Socio Group Social responsibility Council (DSC), consisting of the CEOs of 13 Group affiliates, declared human rights management in December 2022, and is building an environment where all employees respect and consider each other's human rights and work in a happy, healthy way, with "a company where employees are happy" as the key of human rights management.

Furthermore, we aim to fulfill our responsibilities throughout the entire process of human rights management, including the prevention of human rights violations, follow-up remedy, information disclosure, and communication with stakeholders, to ensure that the human rights of all stakeholders, such as customers, investors, partner companies, and local communities, are respected and protected.



**Dong-A Socio Group's  
Social Responsibility Management**

Based on the belief that human rights management promotes employee happiness and that employee happiness solidifies our human rights management, Dong-A Socio Group is making united efforts to realize "a company where employees are happy."

This is the right path to realizing Jeong-Do management, Dong-A Socio Group's management philosophy, and the correct direction for becoming a 100-year company.

# Human Rights Management Statement

## Delivering on our commitments.

### Dear Stakeholders,

I sincerely thank you for your considerable interest and unwavering affection for Dong-A Socio Group. I have been appointed as the Chief Sustainability Officer for Dong-A Socio Group to drive sustainable change, and in order to fulfill the first goal of social responsibility management, which is "responsibility towards employees," we have established the goal of creating a "company where employees are happy" and are organizing and operating a human rights management system.

Based on the belief that Dong-A Socio Group's sustainable development begins with respect for human rights and employee happiness, we are making continued efforts for open change based on the fundamental principle of respecting and protecting stakeholder human rights across employees, customers, and the supply chain, while improving the quality of life amid global changes and challenges.

The 2023 Happiness Management Report is Dong-A Socio Group's first happiness management report, which explains how employee happiness and stakeholder prosperity are ultimately connected through human rights management. I am confident that such open communication will solidify our relations of trust with stakeholders.

Of the five responsibilities that Dong-A Socio Group promised in 1975, I regard "employee happiness" as the first mission that was given to me by stakeholders and seek to fulfill my responsibilities. This is my promise with employees and loyalty towards the environment, the nation, and investors, and I believe fulfilling my responsibilities toward employees is the first step of stakeholder prosperity. I ask for your continued interest and participation in Dong-A Socio Group's happiness journey as it strives to fulfill its role as a company that promotes growth with all stakeholders and fulfills social responsibilities. Thank you.



**Jung-Seok Kang**

Chief Sustainability Officer (CSO)  
Dong-A Socio Group



# Human Rights Management Statement

## Always respect human rights.

Dong-A Socio Group established human rights management system that places importance on human dignity and value in accordance with the Jeong-Do management philosophy and ISO 26000, which is an international standard on corporate social responsibility, and seeks to fully establish it in its overall management system. To this end, we declare our support for the human rights principles outlined in the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We are also committed to upholding international standards and guidelines related to human rights and labor, and we strive to fulfill our responsibilities in this regard.

2023 is the first year of Dong-A Socio Group's full launch of human rights management execution. All Group affiliates conducted a human right impact assessment to identify vulnerable areas and human rights risks, after which they derived improvement measures. By supporting Group affiliates in accordance with the human rights management principle, Dong-A Socio Holdings helped all Group affiliates build a human rights management system that is at the same level as that of the holding company.

Through the human rights management system, Dong-A Socio Group will promote happy employee engagement and make utmost efforts so that the culture of respecting human rights expands to all Group affiliates as well as business partners. We will implement the entire process of human rights management with responsibility to ensure that the human rights of all stakeholders involved with Dong-A Socio Group are respected.



**Min-yeong Kim**

CEO & President  
Dong-A Socio Holdings





# Human Rights Framework

Based on the Jeong-Do management philosophy that Dong-A Socio Group has continued for more than 90 years, we practice human rights management that places importance on human dignity and value in accordance with ISO 26000, which is an international standard on corporate social responsibility. A strong human rights management framework respects and protects the human rights of all stakeholders that surround Dong-A and strongly responds to human rights violations to provide remedies, and is a guide that leads Dong-A Socio Group's development into a sustainable company, going beyond a 100-year company.

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DONG-A  
SOCIO  
GROUP

鼎道

GLOBAL

# Human Rights Management Policy

Happiness is a life goal that we all pursue. At the same time, people can find true happiness when human rights are guaranteed and respected. To strictly protect the human rights of all stakeholders, Dong-A Socio Group established a human rights management policy that specifies the company's human rights principles and values and is realizing human rights management.

Dong-A Socio Group upholds "a company where employees are happy" as its primary management principle and strives to protect the human rights and enhance the rights and interests of all its employees. We also take close interest in the human rights of various stakeholders that surround Dong-A Socio Group, including suppliers, customers, and local communities, and pay close attention to prevent human rights violations throughout the entire process of management activities.

In implementing human rights management, Dong-A Socio Group supports international standards and guidelines related to human rights/labor, including the UN Universal Declaration of Human Rights, UN Guiding Principles on Business & Human Rights, and International Labour Organization Fundamental Conventions. Dong-A Socio Holdings joined the UN Global Compact (UNGC), which is a global sustainable management initiative, and is internalizing the ten principles on human rights, labor, environment, and anti-corruption in corporate operations and management strategies. In addition, we strive to support the achievement of the UN Sustainable Development Goals (SDGs) that include universal values and goals of the international community that must be achieved by 2030.

To comply with human rights and labor-related international standards and guidelines, Dong-A Socio Group established a human rights management system based on the Jeong-Do management philosophy and ISO 26000 and pledged human rights management that consists of matters to comply with for the protection of and respect for the rights of stakeholders, including employees. We also established and execute such policies as the Human Rights Charter, Ethics Charter, Employee Code of Conduct, and Supplier Code of Conduct, and enhance the value of human dignity and human rights.



**Dong-A Socio Holdings Human Rights Charter**



**Ethics Charter**



**Employee Code of Conduct**



**Supplier Code of Conduct**



## DETAILED COMPONENTS OF THE HUMAN RIGHTS MANAGEMENT PRINCIPLES

1

**Prohibit discrimination**



2

**Comply with working conditions**



3

**Humanitarian treatment**



4

**Guarantee freedom of association and collective bargaining**



5

**Prohibit forced labor and child labor**



6

**Guarantee occupational safety**



7

**Protect the human rights of local residents**



8

**Protect the human rights of customers**



# Human Rights Management Governance

Human rights management governance is the basics and foundation for a company to faithfully fulfill social responsibilities and achieve sustainable growth. Dong-A Socio Group is making utmost efforts to establish strong human rights management governance at the Group level, more systematically manage human rights issues, and realize the value of respecting human rights.

## Strengthening the Human Rights Management Implementation System

Dong-A Socio Group recognizes human rights management as an important part of organizational strategy, and established human rights management governance, at the center of which is the Dong-A Socio Group Social responsibility Council (DSC) that consists of the Dong-A Socio Holdings BOD and all Group affiliate CEOs, and manages/executes human rights management.

Human rights management policy is approved through the Dong-A Socio Holdings BOD, and the DSC deliberates Group-level activity strategies, goals, and outcomes. The Social Responsibility Planning Division is a working-level council for execution of social responsibility management, and derives social responsibility management-related execution tasks and strategic tasks and collaborates with various teams. Dong-A Socio Holdings' HR Strategy Team and teams in charge of practical matters related to human rights management at Group affiliates suggest human rights-related policies and systems, plan various programs, and investigate and handle cases of human rights violation. Through such a strong system and close cooperation, Dong-A Socio Group is strengthening human rights management and continually generating outcomes.

## Spreading the Culture of Respecting Human Rights

Once a culture of respecting human rights settles down in an organization, it increases employee satisfaction levels and leads to productivity improvements. Dong-A Socio Group is carrying out diverse activities to spread the culture of respecting human rights so as to fulfill its responsibilities toward employees and have this effort naturally lead to the company's sustainable growth.

We establish human rights management policy and guidelines and share them with employees, and support employee understanding and compliance through videos and card-style news. We provide education programs on human rights to raise awareness and promote employee diversity by providing equal opportunities throughout all process of recruiting and nurturing the workforce. We conduct human rights impact assessments to identify and prevent/manage human rights risks. For human rights violation cases, we apply the zero tolerance principle and quickly handle the cases. We also operate report channels for anonymous reports and a remedy process. In addition, we are making joint efforts with partner companies to realize the value of respecting human rights.

### HUMAN RIGHTS MANAGEMENT IMPLEMENTATION SYSTEM





# Human Rights Risk Management

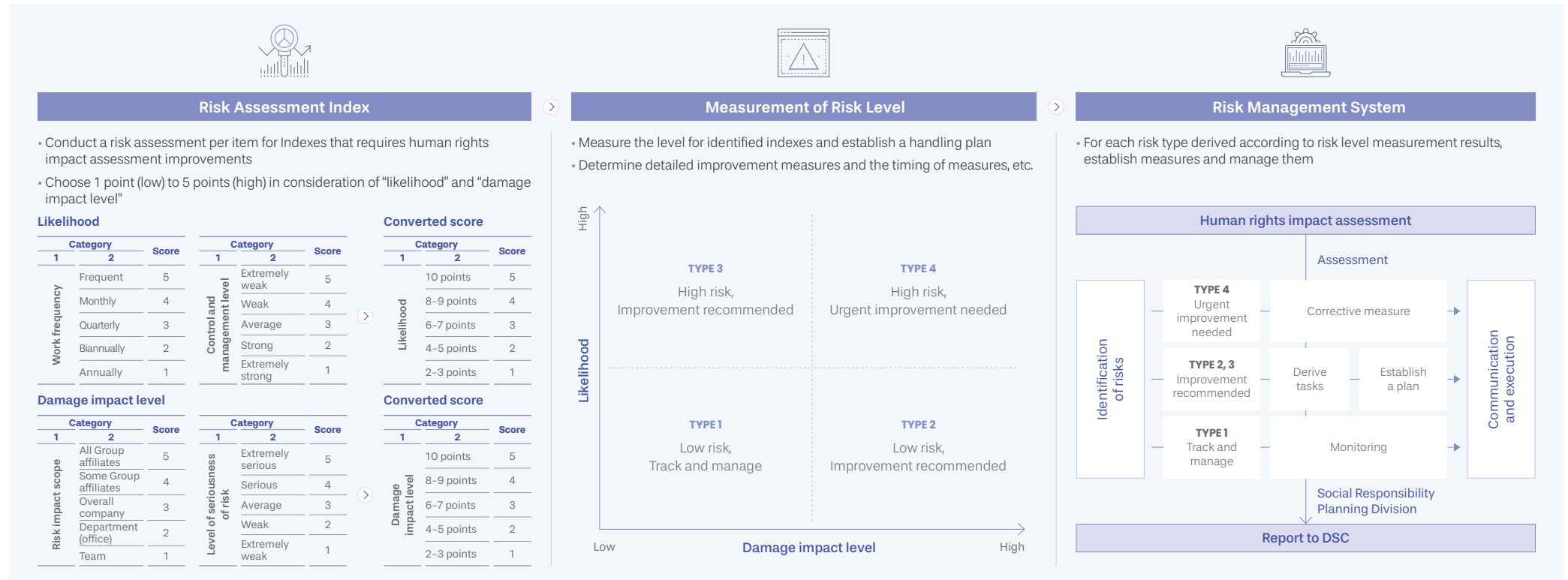
Preemptively identifying and addressing human rights risks surrounding a company ensures sustainable growth and creates positive change in society. Dong-A Socio Group identifies, manages, and improves human rights risks through human rights impact assessments, thereby enhancing corporate value and contributing to the creation of economic, social, and environmental value.

## Management of Workplace Human Rights Risks

Dong-A Socio Group regularly performs human rights impact assessment every year to systematically review the company's policy, procedures, systems, etc. regarding human rights issues, identify human rights risks, and thus establish effective improvement measures. Based on the "human rights management guidelines and checklist" provided by the National Human Rights Commission in 2021, we set 11 issues, 36 principles, and 185 items as indexes in consideration of corporate connection. Starting in 2023, all Group affiliates are carrying out human rights impact assessment in which each issue's relevant team performs a self-evaluation.

The assessment scope includes human rights management policies and guidelines, procedures, and systems that were established to manage the establishment and operation of the human rights management system. An assessment is carried out, focusing on human rights impact assessment checklist, to identify and manage negative human rights issues that may arise from corporate activities. In addition, through human rights impact assessment, we evaluate the level of human rights violation risks and examine the status of human rights management, based on which we establish improvement measures and continually manage human rights risks, thereby protecting the human rights of employees and contributing to the maintenance of management stability.

## HUMAN RIGHTS RISK MANAGEMENT SYSTEM



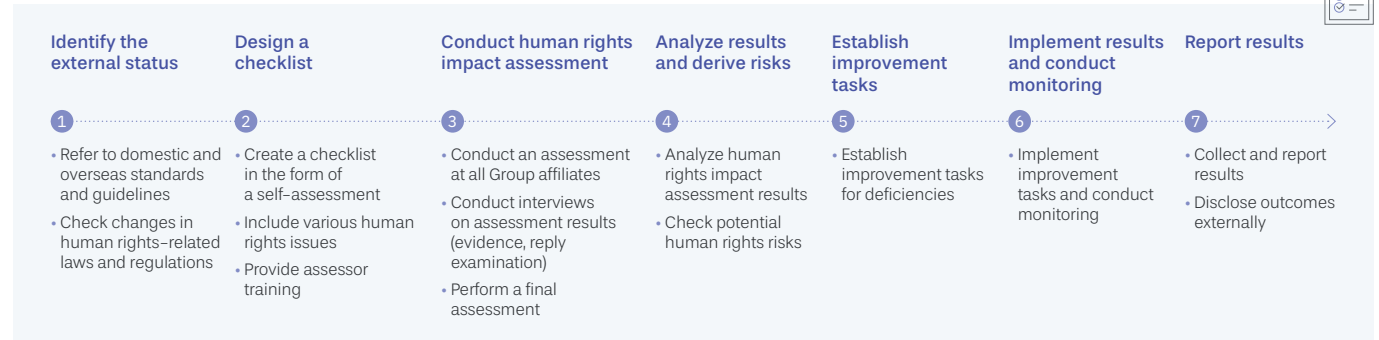
# Human Rights Risk Management

## Human Right Impact Assessment Results and Plan

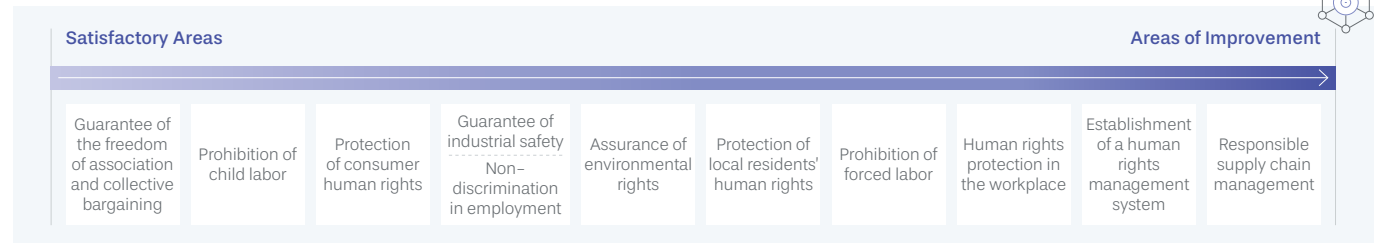
Dong-A Socio Group identified potential human rights risks through human rights impact assessment that targeted all Group affiliates in the first half of 2023 and established improvement tasks for lacking areas. Results of the human rights impact assessment indicated guarantee of the freedom of association and collective bargaining, prohibition of child labor, protection of consumer human rights, guarantee of industrial safety, and non-discrimination in employment as satisfactory areas. In contrast, responsible supply chain management, establishment of human rights management system, human rights protection in the workplace, and guarantee of industrial safety, and other issues were identified as requiring improvement. Accordingly, Dong-A Socio Group established measures for each issue and carried out improvement activities. Major activities in 2023 include the establishment of the Supplier Code of Conduct, and improvements to the supply chain process, on which we will make a public announcement to all Group affiliates to achieve a required level through efficient process operation. In addition, we provide employee education on human rights and operate a mechanism for remedy of human rights violations as part of our efforts to internalize the culture of respecting human rights. Such activities and outcomes were reported to the management. We will go further and disclose the information to stakeholders and gather their opinions to explore ways to change in a better direction.

Dong-A Socio Group will continually conduct regular human right assessments to preemptively manage human rights risks while advancing the human rights management system. To this end, we plan to focus on publishing a human rights management report, receiving human rights management system certification, and spreading the culture of diversity and respect for human rights. Through the Dong-A Socio Group Happiness Management Report, which is a human rights management report that reflects Dong-A Socio Group's unique management philosophy and human rights management system, we seek to transparently and comprehensively disclose our human rights management activities and outcomes to stakeholders. To operate human rights management more systematically, we will earn human rights management execution system certification. In addition, we will extensively carry out activities that are aimed at enhancing DEI (Diversity, Equity, Inclusion), which is garnering attention as companies' sustainable competitiveness, thereby creating a company where employees are happy.

### HUMAN RIGHTS IMPACT ASSESSMENT PROCESS



### RESULTS OF THE HUMAN RIGHTS IMPACT ASSESSMENT



### IDENTIFIED HUMAN RIGHTS IMPACT ISSUES AND RESPONSE

	Major human rights issues	Improvement activities
 <b>Responsible supply chain management</b>	<ul style="list-style-type: none"> <li>Prevent the violation of human rights of the supply chain (suppliers)</li> <li>Prevent human rights violations by employees in charge of security</li> </ul>	<ul style="list-style-type: none"> <li>Establish the Supplier Code of Conduct and improve the supply chain process</li> <li>Create a manual for preventing human rights violations by security personnel</li> </ul>
 <b>Establishment of a human rights management system</b>	<ul style="list-style-type: none"> <li>Declare human rights respect policy</li> <li>Human rights management performance</li> </ul>	<ul style="list-style-type: none"> <li>Establish the Human Rights Charter and Human Rights Management Manual</li> <li>Create a human right impact assessment report</li> <li>Publish the Happiness Management Report in 2024</li> </ul>
 <b>Human rights protection in the workplace</b>	<ul style="list-style-type: none"> <li>Prevent workplace harassment</li> <li>Prohibit workplace sexual harassment</li> <li>Protect disabled workers</li> </ul>	<ul style="list-style-type: none"> <li>Review and revise the remedy process</li> <li>Conduct a survey on the status of human rights</li> <li>Receive consulting on developing jobs that are suitable for recruitment of the disabled</li> </ul>

# Human Rights Risk Management

## Remedy Mechanism for Human Rights Violations

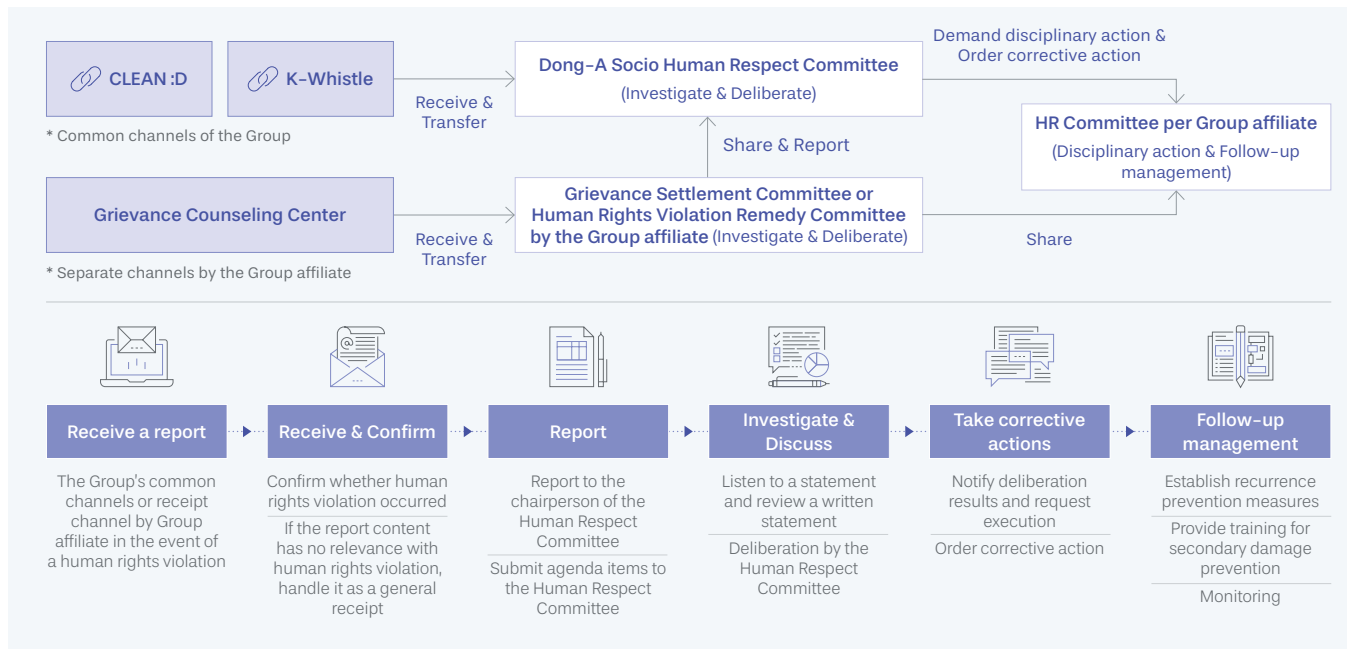
To listen attentively to grievances and complaints regarding human rights violations and to provide aid, we operate on/offline grievance counseling channels that can be used by anyone and the "K-Whistle," an outsourced reporting system that receives anonymous reports on human rights violations. Even after report details are delivered to the employee in charge of anti-bribery at Dong-A Socio Holdings, the issue is handled anonymously according to the whistleblower anonymity protection policy. We institutionally protect employees who reported damage or employees whose damage case was acknowledged so that they are not subject to disadvantageous treatment.

The Dong-A Socio Group Human Rights Committee was launched in 2019 with the Dong-A Socio Holdings CEO as the chairperson to take more prompt and precise actions to employee human rights-related issues. In the event of a human rights violation issue, a report is made to the Human Rights Committee. We handle human rights violation cases fairly and quickly in accordance with a set procedure based on objective facts by applying the "zero tolerance principle." In addition, we appoint a grievance counselor at each Group affiliate to listen attentively to employee opinions, and also operate the Human Rights Violation Remedy Committee that determines victim relief in the event of a human rights violation and recommends measures to each Group affiliate's CEO.

## Management of Suppliers' Human Rights Risks

Managing suppliers' human rights risks is an important factor for enhancement of corporate sustainability and corporate compliance with legal/ethical demands made by the market and society. To strengthen corporate competitiveness from a long-term perspective and contribute to sustainable development, Dong-A Socio Group established the Group's common supply chain management process and manages supply chain sustainability. In particular, to establish and maintain a sustainable supply chain, we evaluate risks that may arise in the supply chain and conduct a supply chain due diligence every year. The supply chain due diligence is in the form of a self-diagnosis by suppliers based on a checklist that covers anti-bribery, human rights and labor practices, and the environment. In 2023, we chose 14 critical Tier-1 suppliers and performed a due diligence. Our plan for 2024 is to take a step further and conduct an onsite due diligence on critical Tier-1 suppliers.

### CHANNELS FOR RECEIVING HUMAN RIGHTS VIOLATION REPORTS AND REMEDY PROCESS








### SUPPLY CHAIN MANAGEMENT SYSTEM



# Stakeholder Engagement

Dong-A Socio Group identifies customers, employees, suppliers, and local communities as key stakeholders, and respects and protects their human rights. We communicate with them and encourage participation through diverse channels, and carry out activities that are aimed at promoting the culture of human rights, thereby fulfilling the company's ethical, legal, and social responsibilities while also solidifying partnerships with stakeholders.

	 Customers	 Employees	 Suppliers	 Local communities
> <b>Potential human rights issues</b>	<ul style="list-style-type: none"> <li>• Discrimination</li> <li>• Safety and health</li> <li>• Sexual harassment and sexual violence</li> <li>• Privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>• Discrimination</li> <li>• Workplace bullying</li> <li>• Sexual harassment and sexual violence</li> <li>• Work-life balance</li> <li>• Safety and health</li> <li>• Freedom of association</li> <li>• Compliance with working conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Discrimination</li> <li>• Safety and health</li> <li>• Sexual harassment and sexual violence</li> <li>• Work-life balance</li> <li>• Child labor and forced labor</li> <li>• Compliance with working conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental pollution</li> <li>• Safety and health</li> </ul>
> <b>Communication/ participation channels</b>	<ul style="list-style-type: none"> <li>• VOC (Voice Of Customer) – Customer center/website</li> <li>• Information desk and customer center of each business site</li> <li>• VOC at customer contact points</li> </ul>	<ul style="list-style-type: none"> <li>• Grievance Counselling Center</li> <li>• Operation of reporting channels – “K-Whistle” Helpline and Audit Hotline Reporting “CLEAN :D”</li> <li>• Regular discussions of the Labor-Management Council and labor union</li> <li>• Employee meetings and organizational culture diagnosis</li> <li>• Survey for human rights violation monitoring</li> <li>• Human right impact assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Operation of reporting channels – “K-Whistle” Helpline and Audit Hotline Reporting “CLEAN :D”</li> <li>• Supplier Code of Conduct</li> <li>• Supply chain due diligence</li> <li>• Supplier participation in self-diagnosis</li> <li>• Monitoring and training</li> </ul>	<ul style="list-style-type: none"> <li>• Local government and government office communication channels</li> <li>• Operation of complaint and reporting channels</li> </ul>
> <b>Relevant activities</b>	<ul style="list-style-type: none"> <li>• Operate a VOC customer counseling system</li> <li>• Operate the Customer Satisfaction Team</li> <li>• Listen to customer opinions and reflect customer opinions in product development and improvement</li> <li>• Receive outside certification for customer service monitoring</li> <li>• Consumer Centered Management (CCM)</li> </ul>	<ul style="list-style-type: none"> <li>• Operate reporting channels and remedy process</li> <li>• Guarantee labor union membership and activities</li> <li>• Conduct human rights impact assessment</li> <li>• Operate the Human Rights Committee</li> <li>• Organizational diagnosis, derive and execute improvement tasks and share the outcomes with employees</li> <li>• Human rights education</li> </ul>	<ul style="list-style-type: none"> <li>• Operate the supply chain management process</li> <li>• Identify and manage supply change management risks</li> <li>• Provide self-assessment questionnaires (SAQs) based on the Supplier Code of Conduct </li> <li>• Conduct regular monitoring and provide supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Contribute to local community development through social investments</li> <li>• Conduct environmental clean-up campaigns near each campus and activities to address risk factors</li> <li>• Establish a network with stakeholders</li> </ul>

# Human Rights Progress

Dong-A Socio Group's human rights management goes beyond a declaration to actual execution and beyond a vision to a core value, bringing about positive changes throughout our lives. Through human rights management that places top priority on employee happiness, we are facilitating employee engagement, while also disclosing our efforts and outcomes with a sense of responsibility and promoting stakeholder participation. We lay the foundation for sustainable growth through change and innovation created by happy employees.

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DONG-A  
SOCIO  
GROUP



## Work-Life Balance

Happy employees are key assets of Dong-A Socio Group. To ensure that happiness becomes corporate competitiveness and serve as a driving force of sustainable development, Dong-A Socio Group builds a work environment that guarantees balance between work and personal life and operates various family-friendly systems that consider even employee families' happiness.



### Dong-A ST

## Chosen as an outstanding company with work-life balance

Dong-A ST understands that work-life balance improvements promote employee satisfaction and health, which enhances work efficiency and productivity, and helps employees make balanced adjustments to work and personal life. It adopted the flexible work system and telecommuting, resulting in work environment improvements and increased employee autonomy regarding work hours. This led to the effect of reducing the time and energy needed for commuting, while raising employee satisfaction and engagement. In addition, the PC off system is operated to protect employees from being exposed to excessively long work hours as part of continued efforts to establish a healthier, balanced work environment. Also, through the paid refresh leave and sabbatical leave, Dong-A ST provides opportunities for rest and recharge. It regularly surveys employee satisfaction and collects feedback to identify areas that need improvement and look into ways to change in a better direction.

In recognition of such efforts, Dong-A ST was chosen as an "Outstanding Company with Work-Life Balance" at the "Work-Life Balance Conference" that was held by the Ministry of Employment and Labor in November 2023, and received the Minister of Employment and Labor Award. The Work-Life Balance Conference shares best cases of realizing work-life balance and aims to build a social atmosphere that promotes work-life balance. Dong-A ST was highly recognized for fully establishing a work environment that guarantees work-life balance by operating the flexible dress code, flexible work system, leave-work-early system for Family Day, family-friendly programs, and refresh leave system.

## Group Affiliates' Family-friendly Certification Status and Major Programs

### Family-friendly Certification



• Dong-A Socio Holdings	Initially certified in 2017, recertified in 2022
• Dong-A ST	Initially certified in 2020, validity extended in 2023
• ST Pharm	Initially certified in 2021, certification maintained
• STgen Bio	Initially certified in 2021, certification maintained
• Dong-A Otsuka	Initially certified in 2011, recertified in 2022
• Soo Seok	Initially certified in 2022, certification maintained
• DA Information	Initially certified in 2021, certification maintained

### Family-friendly Programs



- **Education and Livelihood Stability**
  - A congratulatory payment of KRW 5 million given upon marriage or childbirth
  - Provision of congratulatory and condolence payment
  - Full tuition support without any limit on the number of children
  - Daily life stability fund (loan through the Employee Welfare Fund) support for employees away from home or those in need of livelihood stability funds
- **W&L Balance**
  - Hold the "Phoenix Camp" for employees' children
  - Operate the "Family Day" on the third Friday of each month, expanded the previous one-hour reduced work schedule system to a full-day off system in 2023
  - Send Christmas presents to employees' children (aged 5-13), and gifts for taking the national college entrance exam (for examinees)
- **Leisure**
  - Hold an event to which families are invited in the May Family Month
  - Operate a selective welfare point system, increased the amount to provide an annual KRW 500 thousand worth of points in 2023
  - Provide leisure facilities, such as corporate resorts and condominiums, and operate the HR Development Center in Sangju as a vacation spot during the summer vacation period

## Employee Welfare and Well-being

Dong-A Socio Group established welfare and well-being systems that provide practical help from the employee perspective, and is expanding the scope of beneficiaries to employee families. This is the path to helping employees live physically, mentally, and socially stable and happy lives, and is the first step to deriving organizational performance.



There is an extremely high level of satisfaction towards the new work environment, thanks to the establishment of systems and conditions that employees practically need. In particular, I believe the staggered commute system that removes the commute burden and the telecommuting system that enables employees to autonomously choose their work environment are the beginnings of a good change. There is also an extremely positive response towards a new family-friendly space that enables nursing in a comfortable environment. I believe such changes provide many benefits, such as reducing unnecessary stress while raising work efficiency.

**Sun-hee Jeong**

Lead Manager of Financial Management Team,  
Management Support Office, Dong-A CHAMMED



### DA Information

## Adoption of the sick leave system and expansion of the flexible work arrangements

The "burnout syndrome" is emerging as a major topic of discussion in the IT industry. This is likely the result of increased workload of IT workers due to rapidly-evolving information technologies and increased burden from sharp changes. DA Information thus made a judgment that the annual paid leave system that is basically provided to employees would not be enough to support employees' full physical/mental recovery. In particular, it adopted the sick leave system that enables employees with an unexpected illness or a physical or mental disorder to be assigned with a separate leave of a prescribed period, enabling the employees to treat the illness and return to work after full recovery.

DA Information also examines, from various angles, and operates work systems that enhance employee engagement and satisfaction. In 2023, it newly adopted the telecommuting system, considering that most of the company's employees are developers and that the work environment is almost free of paper documents in accordance with its paperless policy. Accordingly, all employees handle work by accessing the company portal from their homes once a week. Increased flexibility in work hours and venue led to improvements in work concentration levels and efficiency, which is having a positive impact on both employee happiness and company performance.

### Dong-A CHAMMED

## Implementation of the flexible work system and promotion of female employees' well-being

In 2023, Dong-A CHAMMED experienced work environment changes amid structural changes, such as a division merger as a result of Dong-A ST's investment in kind and an M&A with MH Healthcare. To help employees stably settle down in the new work environment, Dong-A CHAMMED actively collected employee opinions and strengthened communication, based on which it strived to form a consensus. In addition, it adopted various flexible work systems, including the staggered commute system and once-a-week telecommuting system to help employees strike a balance between work and personal life and to enhance employee engagement and satisfaction.

Dong-A CHAMMED is providing support that considers female employees' characteristics to establish a work environment where female employees can work comfortably, while promoting the organization's diversity and inclusion. As a part of these efforts, it created a rest area for female employees in 2023 and plans to set up a nursing room for pregnant or nursing female employees.



Rest area for female employees  
at Dong-A CHAMMED

## Employee Human Rights Education

To build a culture where human rights are respected and protected in the organization, there is an essential need to raise awareness and share values through employee education. Through extensive, in-depth human rights education, Dong-A Socio Group raises employee knowledge and understanding of human rights and helps them develop an attitude of respecting human rights.



### STgen Bio

## Implementation of human rights management and integrity ethics education

In July 2023, STgen Bio provided education on human rights management and ethical management of integrity to all employees. The education was on the significance, trends, and cases of human rights management and ethical management of integrity. By examining diverse cases, the education raised awareness of such issues as corruption that takes place in various aspects of daily life, workplace harassment, and sexual harassment in the workplace, and provided an opportunity for employees to jointly think about improvement measures. There was also a lecture on solutions for human rights management that are needed for STgen Bio to achieve sustainable growth.

This education was conducted as a part of the company's anti-bribery management activities. STgen Bio completed establishment of the Anti-Bribery Management System (ABMS) in 2021 and worked on receiving ISO 37001 certification, which is an international standard on ABMS, and earned certification in 2023, based on which it is strengthening ethical management of integrity. In addition, it plans to establish a human rights management system to internalize human rights management and create diverse programs that can draw out active employee participation.

Dong-A Socio Group aims to establish ABMS at all Group affiliates by 2024 to internalize anti-bribery as a corporate culture and establish ethical business practices. As of December 2023, four Group affiliates completed the establishment of ABMS and received ISO 37001 certification which are STgen Bio, Dong-A Socio Holdings, Dong-A ST, and Dong-A Pharmaceutical.

## Status of Human Rights Education at the Group Affiliates

Dong-A Socio Group provides diverse human rights education to improve employees' human rights sensitivity and to internalize the culture of respecting human rights. In 2023, it provided mandatory legal trainings of workplace sexual harassment prevention training, workplace bullying prevention training, and disability awareness training, to all employees of the Group affiliates for at least an hour once a year, and 99.82% of all employees completed the training.

### OUTCOMES OF THE IMPLEMENTATION OF MANDATORY LEGAL TRAININGS IN 2023

(Unit: Person)

Group affiliate	Completed	Not completed	Completion rate
Dong-A Socio Holdings	95	1	99.86%
Dong-A ST	1,613	7	99.57%
Dong-A Pharmaceutical	892	4	99.55%
ST Pharm <sup>1)</sup>	70	0	100.00%
STgen Bio	308	0	100.00%
Dong-A CHAMMED	133	0	100.00%
Dong-A Otsuka	881	0	100.00%
Yongma Logis	708	3	99.58%
Soo Seok	209	0	100.00%
Korea Sinto	85	0	100.00%
DONGCHEONSU	139	0	100.00%
ABEN Engineering & Construction	56	0	100.00%
DA Information	93	0	100.00%
<b>Total</b>	<b>5,282</b>	<b>15</b>	<b>99.82%</b>

\* Based on 4 mandatory legal trainings (sexual harassment prevention training, disability awareness training, personal information security training, workplace bullying prevention training)

<sup>1)</sup> Only some, such as office workers, participated in the training.

## Prohibition of Discrimination

Dong-A Socio Group prohibits all forms of discrimination that have no rational reason. By securing employees with diverse backgrounds and experiences and facilitating participation by the workforce who respect each other's differences, we are promoting the sustainable growth of both employees and the company.



STgen Bio perceives its employees as important resources of the company and provides fair treatment, and also respects the life of each individual as a human being. We create a workplace that have an environment and systems in place for the workforce to fully demonstrate their capabilities and produce results, leading to a sense of accomplishment. We also help our employees enjoy a healthy and happy daily life as an independent individual. We will continue to change to become a better workplace and a company where employees look forward to coming in the morning by actively communicating with employees and sharing opinions on various matters.



**Kyung-Eun Choi**  
CEO of STgen Bio

STgen Bio

### Dong-A Socio Group's Principle on Prohibition of Discrimination

Dong-A Socio Group does not discriminate for any reason, such as for recruitment, promotion, evaluation and compensation, benefits, retirement, and dismissal, on grounds of gender, academic background, race, religion, etc., and respects employee diversity.

#### Recruitment



Through prior training of interviewers, we seek to protect the rights and interests of job seekers and enhance transparency and fairness in the recruitment process.

#### Promotion



We provide promotion opportunities based on objective performance and capabilities to employees who are eligible for a promotion according to clear promotion criteria, and observe a fair promotion process.

#### Education



We provide equal training opportunities to all employees, and execute competency-building and training according to an established Individual Development Plan (IDP).

#### Performance Evaluation and Compensation



We fairly evaluate all employees through a fair and transparent performance evaluation process, and provide mutual feedback and operate evaluation sessions to enhance the validity of goals and credibility of evaluations. Accordingly, we provide compensation that is based on performance and capabilities through a fair compensation policy.

#### Retirement and Dismissal



We do not discriminate employees in the retirement age, retirement, and dismissal according to the rules of employment. We do not discriminate on grounds of female employees' marriage, pregnancy, or childbirth.

### Received the Minister of Employment and Labor commendation for employment equality contribution

STgen Bio is making diverse efforts for gender equality in recruitment and balance between work and family life. It operates its recruitment process in a way that prevents gender-based discrimination to provide fair, equal opportunities according to an individual's skills and capabilities, irrespective of gender. In addition, it has a fair evaluation and compensation system that is based on job and performance. In case of congratulatory and consolatory events, such as an employee family member's marriage, childbirth, or funeral, STgen Bio provides a family event leave without distinction between the maternal line and paternal line, while also making active efforts to improve women's human rights. It is adopting diverse programs and policies to promote female employees' human rights and rights and interests. In particular, it recommends and expands use of the paid menstruation leave, thereby promoting female employees' health and well-being, in addition to communicating a message that promotes diversity and inclusion within the organization to strengthen the organizational culture of gender equality. Furthermore, it is facilitating institutional improvements through honest, active communication among employees, thereby supporting the balance between work and personal life.

As a result of such efforts to promote recruitment equality and to fully establish a culture of balance between work and family life, CEO Kyung-Eun Choi of STgen Bio received the Minister of Employment and Labor commendation for recruitment equality contribution at the Employment Equality Contribution Award hosted by the Ministry of Employment and Labor in May 2023.

# Prohibition of Discrimination



Parking spaces and pathways for persons with disabilities at the DONGCHEONSU Sangju Campus

## Dong-A Otsuka

### Expansion of employment for people with disabilities

The establishment of an organizational culture where the workforce with diverse backgrounds and experiences can fully demonstrate their capabilities irrespective of whether they have a disability can promote creativity and innovation, which leads to enhanced corporate competencies. Dong-A Otsuka complies with the mandatory disabled person recruitment system, thereby fulfilling corporate social responsibilities while providing increased recruitment opportunities to the workforce with a disability, leading to strengthened diversity and inclusion in the company.

Meanwhile, Dong-A Socio Group is making efforts at the group level to promote the employment of people with disabilities. We strive to comply with relevant laws and regulations, including the mandatory disabled person recruitment system, while also installing new convenience facilities or improving existing facilities, such as elevators and bathrooms for the disabled. In September 2023, we collaborated with the Korea Employment Agency for Persons with Disabilities for consulting on recruitment of disabled persons. In addition, executives in charge of HR, organizational leaders, and employees in charge at 13 Group affiliates got together and explored ways to develop recruitment strategies to realize recruitment of disabled persons.

### Training for recruitment interviewers

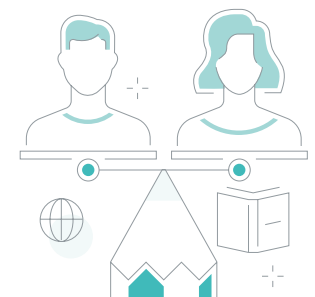
In May 2023, Dong-A Otsuka provided interviewer training to 21 employees. Through this training, interviewers developed the capability to clearly communicate and effectively interact with applicants, based on which they plan to provide a positive experience to applicants and discover outstanding candidates. Dong-A Otsuka will also establish a standardized process that fairly evaluates candidates through a consistent method by having interviewers use the same grading criteria. It plans to periodically conduct interviewer training to raise fairness and efficiency in the recruitment process.

## DONGCHEONSU

### Improvement of systems and facilities to promote diversity and inclusion

DONGCHEONSU respects employees' human rights and diversity and strives to establish a corporate culture of inclusion without discrimination against women/disabled persons/race. In 2023, it amended the rules of employment with the goal of promoting diversity and inclusion. It included "We prohibit discrimination based on race, skin color, etc." in Article 4 Prohibition of Discrimination, and "prohibition of child labor" in Article 7 Grounds for Recruitment Disqualification, which was followed by the recruitment of three foreign workers. Employees with diverse nationalities can add new ideas and vitality to the organization and perform important roles in raising international capabilities and competitiveness. As such, DONGCHEONSU is creating an inclusive work environment so that employees with diverse cultural backgrounds and experiences can come together to build a more creative and innovative organizational culture.

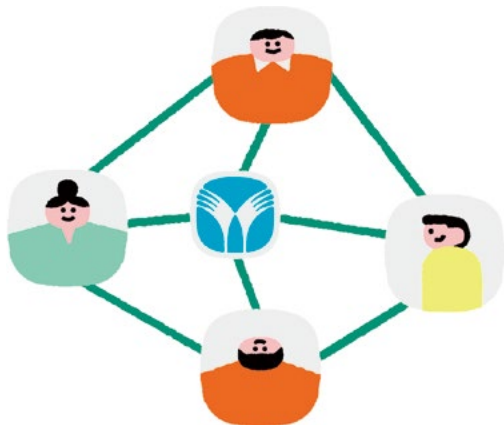
As a part of these efforts, the DONGCHEONSU Sangju Campus, built in 2023, was established as a space that welcomes all. Movement paths and elevators for disabled persons were installed to support smooth movement of employees and visitors with a disability. Also, a parking lot and bathrooms for disabled persons were built to increase accessibility to convenience facilities, thereby providing an environment that enables equal participation and access to all people irrespective of whether one has a disability.





# Labor-Management Relations

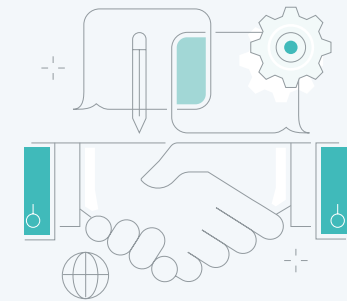
Labor and management of Dong-A Socio Group are making united efforts to realize human rights management. We will build win-win labor-management relations based on trust, upon which we will establish a corporate culture that places importance on respect and cooperation. Furthermore, guaranteeing all employees' happiness is the core value of Dong-A's human rights management.



## Major Principles of Dong-A Socio Group's Labor Union Collective Agreement

Dong-A Socio Group guarantees the freedom of association and the right to collective bargaining pursuant to labor relations laws of Korea, and does not engage in disadvantageous treatment on grounds of joining the labor union, carrying out labor union activities, or forming a labor union.

The labor and management determine work and employment conditions by participating in transparent, fair negotiations, and maintain smooth labor-management relations to resolve joint issues through cooperation and respect.



## Win-Win Labor-Management Culture at the Group Affiliates

### Dong-A Socio Holdings

- Holding the Labor-Management Council once a quarter: Share annual performance and management strategies; discuss workforce-nurturing strategies, the work environment, and welfare system improvements; and hold quarterly meetings by job level

### Dong-A ST

- Strengthening cooperative labor-management relations, with the labor union and Labor-Management Council playing central roles
- Maintaining its tradition as a zero-dispute business site without even a single strike since the company's founding in 1932
- In principle, the collective agreement applies only to labor union members, but can also be applied to non-union members within a certain scope according to a labor-management agreement, if needed.

### Dong-A Pharmaceutical

- Operating the labor union and Labor-Management Council
- Maintaining its tradition as a zero-dispute business site without even a single strike since the labor union's establishment in 1975
- In principle, the collective agreement applies only to labor union members, but can also be applied to non-union members within a certain scope according to a labor-management agreement, if needed.

### ST Pharm

- Holding the Labor-Management Council every quarter
- Operating the Grievance Settlement Committee
- Because the ST Pharm labor union is not a majority labor union, the collective agreement applies only to labor union members, but can be applied also to non-union members, if needed.

## LABOR-MANAGEMENT RELATIONS AT DONG-A ST

Category	2021	2022	2023
Ratio of employees with labor union membership (%)	58.6	50.2	49.7
Collective agreement coverage rate (%)	13.8	12.6	12.7

\* Subject to membership (production seniors and employees with lower position), as of the end of each year

## LABOR-MANAGEMENT RELATIONS AT DONG-A PHARMACEUTICAL

Category	2021	2022	2023
Ratio of employees with labor union membership (%)	95.3	93.7	84.9
Collective agreement coverage rate (%)	Applied to union members		

\* Subject to membership (managers at Production Headquarters and employees with lower position), as of the end of each year

## LABOR-MANAGEMENT RELATIONS AT ST PHARM

Category	2021	2022	2023
Ratio of employees with labor union membership (%)	39.6	40.8	40.8
Collective agreement coverage rate (%)	100% (also applied to non-union members)		

\* Subject to membership (managers and employees with lower position), as of the end of each year

# Labor-Management Relations



It was a great honor to receive the presidential citation. I believe it is the result of continued efforts made by Soo Seok labor union members and the company to build a labor-management culture of win-win cooperation based on trust and communication. I am confident that our joint efforts and cooperation performed significant roles in contributing to the development of the company, Dong-A Socio Group, and national industry. Moving forward, we will make greater efforts based on experience so that the countless challenges and opportunities we face lead to growth and success.

**Bong-Chun Park**  
Union President of Soo Seok



Dong-A Socio Holdings' townhall meeting

## Soo Seok

### The union leader received a presidential award

At a Labor Day award ceremony held in May 2023, Union President Bong-Chun Park of Soo Seok's labor union received a presidential citation. This award is aimed at encouraging workers and executive union members who contributed to improving the quality of life of workers and is presented to workers who contributed to the realization of a society where labor is respected by enhancing social awareness of the value of labor. Soo Seok received the citation in recognition of the steady efforts it made to fully establish a win-win labor-management culture and contribute to local community development. The labor and management will continue to strengthen cooperation through regular dialogue to realize sustainable labor-management relations through unified efforts. They will enhance cooperation and trust through projects or social contribution activities that are jointly participated in by labor and management. In addition, a year-round communication channel will be established to enable smooth communication and quick resolution of emergency situations, and a corporate culture will be built that is based on a labor-management partnership of trust.

### Implementation of a Junior Board

When employees' various views and perspectives are reflected in corporate operations, wiser judgments can be made. In making major decisions, Soo Seok forms a Junior Board consisting of managers and employees with a lower position and operates it once every quarter. The ideas suggested by Junior Board members facilitate innovation, such as organizational culture improvements, and also present a new approach to resolving issues. Soo Seok will continue to collect employees' diverse opinions and encourage their participation through various systems and channels, including the Junior Board, thereby establishing a horizontal organizational culture.

## Dong-A Socio Holdings

## STgen Bio

### Strengthening horizontal communication among employees

In March 2023, Dong-A Socio Holdings held a townhall meeting for all employees to enhance efficiency and transparency of communication within the organization. Details were shared on each organization's operation plan and strategy, enabling employees to develop a clear understanding of the goals and roles of the organization they respectively belong to and how each organization can contribute to the achievement of goals of the overall organization. In addition, information was shared on future strategies, development direction, action plans, and others, resulting in a consensus on the corporate vision. A meaningful time of discussion was held by answering employee questions and opinions that were collected beforehand and exchanging information. Dong-A Socio Holdings will regularly hold a townhall meeting to strengthen the sense of consensus on corporate vision and strategy and strengthen bonds among employees. This will enable employees to engage in their work with a greater sense of responsibility, and is anticipated to lead to improvements in employee satisfaction and organizational performance.

STgen Bio held a brown bag meeting across 14 occasions in 2023 amid an emphasis on the importance of organizational communication and cooperation. Aiming to strengthen bonds among employees and promote efficient communication, the CEO and employees had lunch together without concern over formality and shared their honest opinions in a natural, comfortable atmosphere. The CEO shared the organizational direction and goals while the employees shared their ideas from their respective perspective and jointly thought about ways to contribute to the company's growth and development. STgen Bio will continue to create arenas of communication that enable anyone to engage in free discussion and identify with others to facilitate efficient and smooth cooperation.

# Supply Chain Management

Sustainable supply chain management is one of the essential preconditions for a company to grow in an economically, socially, and environmentally responsible way. From a social perspective, we prioritize respecting and ensuring the human rights of workers, thereby operating our supply chain sustainably and preparing for new growth with a long-term vision.

## Dong-A Socio Group's Supply Chain Management Standard

A code of conduct for supply chain management presents principles or guidelines that are needed for a company to effectively and sustainably operate a supply chain. It plays an extremely important role in maintaining and developing a corporate value chain's stability, efficiency, and flexibility. Dong-A Socio Group publicly announced the Supplier Code of Conduct in 2023 to fulfill social responsibilities and grow together with suppliers.

Dong-A Socio Group discloses the Supplier Code of Conduct on the Jeong-Do management website, and the main content includes anti-bribery, human rights and labor practices, the environment, and management systems. Of these, human rights-related standards are categorized into eight types, consisting of prohibition of discrimination, compliance with working conditions, humanitarian treatment, guarantee of the freedom of association and collective bargaining, prohibition of forced labor and child labor, guarantee of occupational safety, protection of the human rights of local residents, and protection of the human rights of customers.



Dong-A Socio Group Supplier Code of Conduct



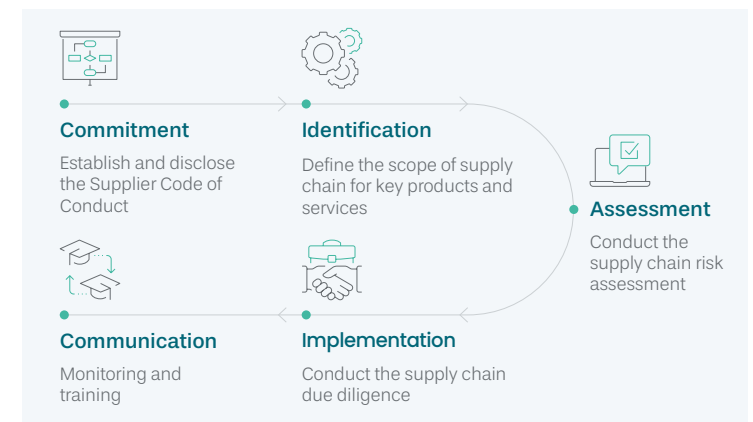
## Dong-A Socio Holdings

## Operation of the supplier selection process

Dong-A Socio Group sets the supply chain management scope in consideration of Group affiliates' business characteristics and categorizes critical suppliers in accordance with the level of business impact. For more efficient and sustainable supply chain management, Dong-A Socio Group provided supply chain management consulting in 2023 to Dong-A Socio Holdings, Dong-A ST, ST Pharm, STgen Bio, and Yongma Logis, after which a supplier selection process was established and critical suppliers were chosen. According to consulting results, Dong-A Socio Holdings determined the supply chain management scope on investment, service, and purchase.

Dong-A Socio Holdings' establishment and declaration of the Supplier Code of Conduct was followed by the establishment of the supplier selection process. Accordingly, we are receiving a "consent form on Supplier Code of Conduct compliance" from all suppliers with which we signed a contract. In 2023, we chose 14 Tier-1 suppliers to perform a self-diagnosis. We carry out a supply chain due diligence every year based on a checklist that consists of bribery, human rights, labor practices, environment, etc.

## SUPPLY CHAIN MANAGEMENT PROCESS OF DONG-A SOCIO GROUP



# Workplace Safety and Health

A safe, healthy work environment not only protects employees from injuries and illnesses, but also promotes basic human rights. In practicing human rights management, Dong-A Socio Group recognizes workplace safety and health as one of the key factors and strives to establish management systems while also promoting improvement activities.

Soo Seok

Korea Sinto

## Improvement of workplace safety environment

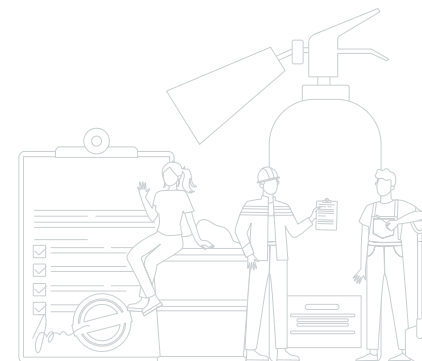
In 2023, Soo Seok fully replaced work clothes that employees wear at worksites to strengthen the sense of belonging among employees by unifying work clothes that were varied between units and to improve workers' convenience and efficiency. It changed the color to enable easy washing and maintenance, and increased elasticity and added pockets to enhance convenience, thereby helping workers handle their work more efficiently.

Korea Sinto adopted lightweight safety helmets and breathable safety shoes to establish a safe, comfortable work environment. By reducing worker fatigue through comfortable wear and enhanced safety and by providing comfort in the work environment, it helped its employees handle work more efficiently. It also set up back-exercising machines to help employees strengthen their muscular strength and prevent back injury, and explored and implemented other various ways to promote employee health and welfare and improve comfort in the work environment.

ABEN Engineering &amp; Construction

## Strengthening of the emergency response system

In 2023, ABEN Engineering & Construction (E&C) strengthened its emergency situation response system as part of its steady efforts to promote employee safety and protection. It made the inspection of business site safety facilities and firefighting facilities a daily routine, and arranged notices in locations that are easily accessible by field workers that inform them of how to respond and the escape routes in the event of an emergency situation, such as a fire. It also conducts an emergency drill at each business site every six months to provide the knowledge and skills needed for workers to quickly and effectively respond to emergency situations. In addition, it set up and operates rest areas with cooling and heating facilities to ensure the safety of workers during severe hot and cold weather.



ABEN E&C, conducting emergency response drills

# Workplace Safety and Health

## Yongma Logis

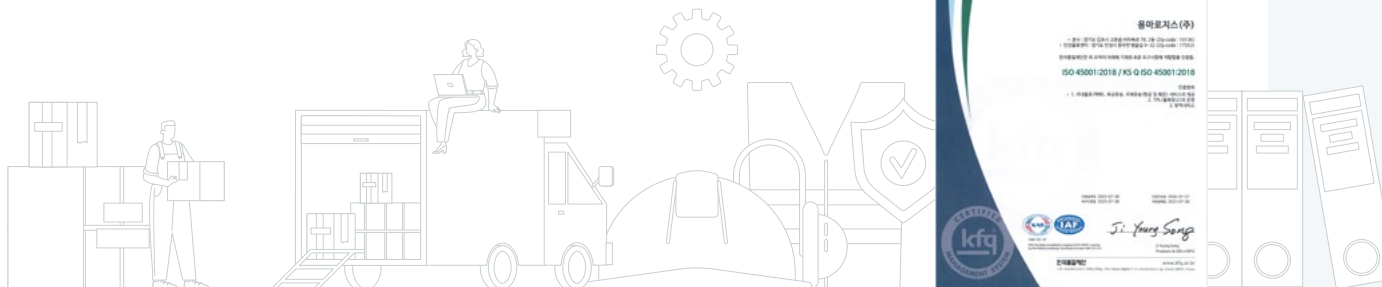
### Acquisition of the ISO 45001 certification

In July 2023, Yongma Logis received ISO 45001 (safety and health management system), which is an international standard certification. To establish a safety and health management system, Yongma Logis established a safety and health management policy, set safety and health goals, promoted worker participation, identified and removed risk factors, and developed a manual on serious disasters and emergency situations. It also established a self-regulation prevention system according to risk assessments, based on which it identified potential risk factors at logistics warehouses and distribution centers in advance and took corrective actions. It also strengthened emergency drills, thus focusing on building a culture of safety.

As a result of establishing a systematic industrial accident prevention and safety and health management system that meets international standards, Yongma Logis successfully received ISO 45001 certification. It also received an Excellence Award at the "Presentation on Best Case of Large Company/SME Safety and Health Win-Win Cooperation Activity," an event held in the Occupational Health and Safety Month in 2023 that was hosted by the Ministry of Employment and Labor and organized by the Korea Occupational Safety and Health Agency. Yongma Logis will continue to establish various institutional mechanisms and provide training so that employees can work in a safe environment with peace of mind.

### ISO 45001 Certification Status at the Group Affiliates

	Initial certification year	Certified business locations (Initial certification year)
Dong-A ST	2018	Cheonan Campus
	2021	Daegu Campus
	2023	Songdo Campus
Dong-A Pharmaceutical	2022	Dangjin Plant, Icheon Plant, Cheonan Plant
STgen Bio	2022	Headquarters
Yongma Logis	2023	Headquarters, Anseong Logistics Center 1/2





## Protection of Employee Human Rights

Protection of employees' human rights is an important barometer of a company's human rights management level.

Dong-A Socio Group establishes a safe and sound organizational culture and systems that enable employees to raise an issue and demand its resolution in the event of a human rights violation, and protects employees' human rights and even their happiness.



As a member of an organization that oversees Dong-A Socio Group's human rights management, I feel a great sense of duty in building a work environment that enables employees to focus on their job and organization and to work happily. Going forward, I will do my utmost to protect employee human rights for my close colleagues and all employees who are making joint efforts for Dong-A Socio Group's sustainable growth. In particular, we will adhere to a zero-tolerance policy towards workplace harassment behaviors that deteriorate the working environment, without compromise.

**Woo-ho Chae**

Team Leader of HR Strategy Team,  
HR Innovation Office, Dong-A Socio Holdings



### Dong-A Socio Holdings

## Survey on workplace harassment and discrimination

In 2023, Dong-A Socio Group conducted a survey across all the Group affiliates to assess awareness and responses to workplace harassment and discrimination. This initiative aims to protect the human rights of its members and build a healthy and inclusive organizational culture. This enabled us to understand employee experiences and their understanding of relevant issues and collect various opinions. Based on the survey results, we identified the organization's internal issues and are carrying out improvement efforts.

In terms of policy and training improvement, we strengthened education and training programs for harassment/discrimination prevention, while also striving to guarantee a safe work environment to employees by improving the organization's internal policies. By operating human rights violation report channels and a remedy process, we protect victims and provide active support for the resolution of issues. Organizational leaders and top managers consider such matters as serious issues and perform pivotal leadership roles in taking appropriate measures to resolve harassment/discrimination issues.

Moving forward, Dong-A Socio Group will continue to regularly hold a survey on workplace harassment/discrimination experiences and derive improvement measures, and also continue to monitor the situation after measures are taken to resolve issues, thereby making continued efforts with a sense of responsibility to build a healthy, inclusive work environment.

### ST Pharm

## Establishment and strengthening of grievance handling mechanisms

With the operation of the Grievance Settlement Committee in 2021 as the beginning, ST Pharm fully launched the establishment of a grievance settlement mechanism that is aimed at protecting employees' human rights. In accordance with its grievance settlement mechanism that consists of policy, process, and support systems, ST Pharm promptly and fairly handles issues related to employee grievances. Once a grievance report is received, ST Pharm immediately begins an investigation and carries out a remedy process. In this process, it listens to the opinions of other employees and collects evidence to make transparent decisions from an objective perspective. Once a case is resolved, it establishes preventive measures to prevent the recurrence of similar cases and continues monitoring activities, and also creates a detailed report on the case for thorough follow-up management.

To strengthen the capabilities of grievance counselors, ST Pharm provided an opportunity for HPC (sexual harassment prevention complaint counsellor) training at the Korea Sexual Harassment Prevention Center to all three internal grievance counselors in 2023. This training enabled the internal grievance counselors to raise their understanding of grievance counselor roles and acquire the skills necessary for settling grievances. The company also issued "card news" to improve human rights sensitivity and informed employees of reporting channels and remedy process, in addition to offering other various programs and actively carrying out activities to establish a work environment where the human rights of all employees are protected and respected.

## Protection of Consumer Human Rights

Consumers have the right to choose safe, good products, and they should receive appropriate protection if they suffer a loss or are dissatisfied with a product or service. By paying close attention to customer opinions and promptly responding to them, Dong-A Socio Group respects and protects consumer rights, and also promotes their human rights.



Leading CCM activities of Dong-A Pharmaceutical include regular VOC analysis and improvement as well as collection of various opinions through consumer satisfaction surveys. In addition, we operate a zero-claim meeting group that discusses pending issues related to consumers and makes decisions. We have been safeguarding public health for over 90 years and will continue to make ongoing efforts to become a more consumer-centric pharmaceutical company moving forward.

**Ji-yeong Hwang**

Lead Manager of CX Team, Quality Management Office,  
Dong-A Pharmaceutical



### Dong-A ST

## Strengthening of CCM activities to enhance consumer rights and interests

Dong-A ST's CEO also serves as the Chief Customer Officer (CCO) to systematically/strategically execute consumer centered management (CCM). The CCM Operating Committee performs central roles in the company's efforts to promote consumer rights and interests. Dong-A ST operates CCM competency-building programs, and established an advanced Voice of Customer (VOC) system and quickly and transparently communicates frequently asked questions, product-related academic materials, and major issues to consumers. Product quality improvement activities are carried out at the company-wide level, a part of which is the "Visiting CS System," in which the company preemptively listens to inconveniences experienced by health and medical experts, including experts at hospitals and pharmacies, and makes improvements. Packaging designs are developed from the customer perspective to prevent drug preparation errors and promote safe drug administration. In particular, an e-Label<sup>1)</sup> was applied to nine anti-cancer drugs in 2023, resulting in increased consumer convenience and contribution to reduced greenhouse gases through reduced paper use. As a result of these efforts, Dong-A ST received CCM certification in the first half of 2023 from the Fair Trade Commission. This is a significant achievement in that Dong-A ST was the first ethical drug company to receive CCM certification in 2017 and was chosen as a CCM certification company four consecutive times afterwards.

### Dong-A Pharmaceutical

## Maintenance of CCM certification and selection for the Hall of Fame

At the Outstanding CCM Company Award Ceremony that was held in December 2023, Dong-A Pharmaceutical was chosen for the Hall of Fame category and received the Fair Trade Commission Chairperson Commendation. CCM certification is a certification system that examines whether corporate activities are formed from the consumer perspective and whether continued improvements are made. A re-evaluation is conducted every two years to determine whether the certification is maintained. An additional evaluation is carried out to choose companies that will enter the Hall of Fame, from among companies that received CCM certification at least seven times and maintained the certification for at least 12 years. Based on the vision, "development of innovative products and services that satisfy consumer needs in the health care industry," Dong-A Pharmaceutical practices CCM. Its selection for the CCM Hall of Fame is the result of outside recognition of Dong-A Pharmaceutical's efforts and outcomes as it discovers the driving force of corporate growth in consumers.

### DONGCHEONSU

## Improvement of the customer complaint handling process

In 2023, DONGCHEONSU improved its customer complaint-handling process to minimize customers' negative experiences and remove inconveniences. The Quality Assurance Team was designated as a team exclusively in charge of handling customer complaints so as to reduce the complaint-handling time and more quickly resolve discontent that was raised by customers. In addition, system improvements were made so that when a customer makes an inquiry or submits a complaint using the main number, it is quickly and accurately connected to the appropriate team.

In addition to making efforts to promote customer rights and interests, DONGCHEONSU is paying detailed attention to protecting the human rights and safety of employees. When a call is connected to the extension of an employee who is in charge of customer complaints, a voice message is delivered to share information on measures to protect customer service workers that are stipulated in the Occupational Safety and Health Act to prevent potential risks that may arise when a customer is not aware of such information. Delivery of this message began in May 2024.

<sup>1)</sup> A service that displays safety information provided in the package insert of a pharmaceutical product on the container or packaging using QR codes, etc., and linking it to the company's website for easy access via mobile devices

## Human Rights Protection of Local Communities

Fulfilling social responsibilities is Dong-A Socio Group's philosophy and unwavering goal. Human rights are basic rights that all individuals have, and corporate social responsibilities should contribute to respecting and protecting such rights. Therefore, Dong-A Socio Group enhances the value of human rights through diverse social contribution activities.



Concerned about being overweight, I participate in the “:D-Style Walking” campaign with all my family members, through which, the five of us were able to create cherished memories together. My three children also supported and encouraged each other, tracking their daily steps and developing good eating habits. As a result, we continue to maintain a healthy lifestyle. It was a truly precious and wonderful experience for us, enabling us to remain healthy, create cherished memories with family, and also contribute to the local community.

### Dong-A Socio Group

#### Ongoing implementation of the “:D-Style Walking” campaign

Since 2021, Dong-A Socio Group has been carrying out “:D-Style Walking,” a healthy donation campaign that is based on employees' voluntary participation. In 2021, which was the first year of the campaign, donations that were raised according to the cumulative steps of the 1,524 employees who participated were delivered to an environmental group. In 2022, around 2,400 employees participated to reach a total 420 million steps, and the KRW 300 million in donations raised through employee steps were delivered to areas that were damaged by forest fires in Gangwon Province and North Gyeongsang Province through the Hope Bridge Korea Disaster Relief Association and were used to support local residents and firefighters. In 2023, we adopted a challenge and event that employees as well as their families can participate in, thereby expanding the arena of healthy donation. We used donations amounting to KRW 130 million based on results of operation in the first half of the year to support the treatment of children with cancer.

:D-Style Walking is bringing about positive effects in both promoting employees' health and establishing a donation culture. By continually operating this campaign, Dong-A Socio Group seeks to combine each healthy step of employees to contribute to the realization of happiness throughout overall society.



**Jin-seock Lim**

Lead Manager of Suwon OTC Team,  
OTC Division, Dong-A Pharmaceutical

### Dong-A Socio Pharmaceutical

#### Ongoing implementation of the “One Tempo Warmer” campaign

Dong-A Pharmaceutical carries out the “One Tempo Warmer” campaign, which involves donating the Tempo feminine pad, which is the company's product, to protect the underprivileged in the local community and to promote their human rights. In 2023, the company delivered 182,400 Tempo pads for female youths who were burdened by purchasing pads due to difficult financial conditions to GFoundation, an international development cooperation NGO. It is also carrying out regular donation activities to 14 community child centers in the area through the Dongdaemun-gu Council On Social Welfare, located at the company headquarters.

### DONGCHEONSU

#### Awarded a plaque of appreciation from the community volunteer center

In December 2023, DONGCHEONSU received an appreciation plaque from the Sangju Volunteer Center at the “2023 Volunteer Day Ceremony” in recognition for its efforts for local community development. The Sangju Volunteer Center holds a ceremony on Volunteer Day every year to promote participation in volunteer activities and to raise the morale of volunteers, and communicates its appreciation to volunteers. DONGCHEONSU took part in the “Find It! Sangju Happiness Village” program, which is aimed at improving the local community's daily life environment and is organized by the Sangju Volunteer Center, and carried out diverse volunteering, including establishing a community garden, replacing old screens, and cleaning up the environment. It also took part in a relay net-zero volunteer program that involved creating natural sponges made of plant materials.

## Guarantee of Environmental Rights

Environmental right is a value that must be upheld for humanity's health and welfare as well as the natural environment's preservation and protection. Together with employees, Dong-A Socio Group collaborates with local communities to pursue joint interests in the aspect of environmental protection and respect for human rights, while establishing more sustainable business models.



Dong-A Socio Group established a response system for major environmental issues, including air pollution, energy, and GHG, based on ISO 14001 (environmental management system) and is increasing employee participation and awareness. We conduct a voluntary GHG verification on all Group affiliates every year and are changing work vehicles to eco-friendly vehicles. I believe such climate change response activities are the right direction of Dong-A's Jeong-Do management and an upright path that enables fulfillment of social responsibilities.

**Sang-uk Bae**

Senior Manager of Jeong-Do Management Team,  
Jeong-Do Management Department, Dong-A Socio Holdings



### Dong-A Socio Group

## Conversion of business fleets to eco-friendly vehicles

Environmental issues, including climate change, are emerging as an important issue all across the globe. Stricter regulations on carbon emissions are being introduced mainly in advanced countries. Failure to take appropriate action may significantly damage competitiveness not limited to corporate level but to industry and national level. As such, there is increasing importance and demand for corporate ESG management, and Dong-A Socio Group is also fully launching ESG management.

As part of our ESG management activities, we have been changing business fleets to eco-friendly vehicles since 2021. Eco-friendly vehicles owned by four companies – Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, and STgen Bio – total 464 vehicles as of February 2024. Also, we are establishing and operating electric vehicle charging stations to facilitate increased operation of electric vehicles (EVs). Beginning with the establishment of an EV charging station at the Dong-A ST Cheonan Campus in 2023, we built EV chargers on Dong-A Socio Holdings' land in the Songdo Knowledge Industrial Complex and at the Sangju HR Development Center in North Gyeongsang Province. Also, Dong-A Pharmaceutical runs an EV charging station within the business site. We are especially enabling use of EV charging stations by local community residents, resulting in positive effects in both environmental protection and social contribution.

### STATUS OF THE TRANSITION TO ECO-FRIENDLY VEHICLES

Group affiliate	EVs	HEVs
Dong-A Socio Holdings	5	7
Dong-A ST	20	260
Dong-A Pharmaceutical	8	160
STgen Bio	2	2
<b>Total</b>	<b>35</b>	<b>429</b>

## Reduction of carbon emissions by operating remote offices

Dong-A Socio Group is adopting various work systems, including remote offices, to raise work environment diversity and convenience from the employee perspective. In 2023, we took a step further and adopted remote offices from the ESG perspective and carried out pilot operation of remote offices using external shared offices, targeting 53 employees at four Group affiliates (Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, Dong-A Otsuka), for around two months to verify effectiveness. As a result, we confirmed that if an employee works at a remote office that is close to home, the daily average commute time goes down by around 68% from 2 hours and 47 minutes back and forth to 54 minutes, and the distance goes down by around 80% from 3,607 km/day to 722 km/day.

According to a measurement formula provided by the Korea Climate & Environment Network, a private-government cooperation governance organization, when the 53 employees who were subject to the pilot operation go to work at headquarters, 113.2 tons/year of carbon emissions are generated, while going to work at remote offices leads to 22.7 tons/year. This means that we can anticipate carbon emissions reduction effects of around 90.5 tons/year. As of the end of 2023, 413 employees at the four Group affiliates have a round-trip commute distance of more than 20 km, resulting in an aggregate commute distance of 26,177 km/day. This signifies that expansion of remote office targets will further increase carbon emissions reduction effects. Based on the positive ESG improvement effects that were confirmed through the pilot operation, Dong-A Socio Group has been operating the remote office system as an official work system since March 2024.

# Guarantee of Environmental Rights

## Dong-A ST

### Creation of Modongsup



On the occasion of Arbor Day on April 5, 2023, around 60 Dong-A ST employees carried out the "Modongsup (Let's Gather, Dong-A ST Forest)" activities in Yeongcheon County, Gyeonggi Province. This region was designated multiple times by UNESCO as it comprises the Yeoncheon Imjin River Biosphere Reserve and Hantangang River UNESCO Global Geopark. Dong-A ST created a Modongsup in an internationally-recognized protected region by planting a total 1,230 willow trees, mulberry trees, and burning bushes.

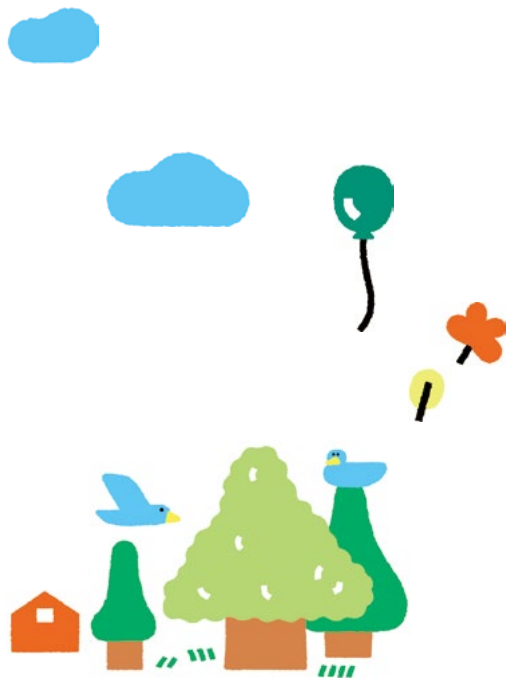
Dong-A ST signed an MOU on building an urban forest with Seoul Metropolitan Government and Forest For Life in 2018 and built an urban forest in Nowon-gu, Seoul to reduce fine dust and improve the urban environment in Seoul which performed a positive role in maintaining low fine dust concentration levels in the downtown area. Starting in 2020, Dong-A ST built the "Forest of Peace" to reduce disputes and conflicts on the Korean Peninsula and promote harmony between nature and humanity. Following the Cheorwon Forest of Peace in 2020, it participated in the creation of the Incheon Forest of Peace in 2022 and built the fourth forest in 2023, thus enhancing the value of co-existence.



Dong-A ST, conducting Modongsup creation activities in 2023

### ISO 14001 Certification Status at the Group Affiliates

	 Initial certification year	 Certified business locations
<b>Dong-A Socio Holdings</b>	2023	Headquarters, HR Development Center in Sangju
<b>Dong-A ST</b>	2021	Dalseong Campus, Cheonan Campus
	2023	Headquarters, Songdo Campus
<b>Dong-A Pharmaceutical</b>	2022	Icheon Plant, Cheonan Plant, Dangjin Plant
	2023	Headquarters
<b>STgen Bio</b>	2022	Headquarters
<b>Yongma Logis</b>	2023	Headquarters, Anseong Logistics Center
<b>Dong-A Otsuka</b>	2021	Anyang Plant, Cheongju Plant, Chilseo Plant
<b>Korea Sinto</b>	2023	Headquarters





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- 33 Dong-A Socio Holdings Human Rights Charter
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# Global Initiatives

## UNGP REPORTING FRAMEWORK

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	A.1.2.a Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work	p. 4-5, 7
	A.1.2.b Commitment to respect the human rights of workers: Health and safety and working hours	p. 7, 22-23
	A.1.3.a Commitment to respect human rights particularly relevant to the sector: Responsible mineral sourcing	p. 8-10
	A.1.3.b Commitment to respect human rights particularly relevant to the sector: Vulnerable group	p. 4-5, 7
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	A.1.5 Commitment to respect the rights of human rights defenders	p. 4-5, 7
	A.2.1 Commitment from the top	p. 4-5, 7-8
	A.2.2 Board responsibility	p. 8
	A.2.3 Incentives and performance management	p. 8
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	B.1.4.a Communication/dissemination of policy commitment(s): Workers and external stakeholders	p. 12
	B.1.4.b Communication/dissemination of policy commitment(s): Business relationships	p. 7, 11, 21
	B.1.5 Training on human rights	p. 16
	B.1.6 Monitoring and corrective actions	p. 9-11
	B.1.7 Engaging and terminating business relationships	p. 7, 11, 21
	B.1.8 Approach to engaging with affected stakeholders	p. 12
	B.2.1 Identifying human rights risks and impacts	p. 9-11
	B.2.2 Assessing human rights risks and impacts	p. 9-11
	B.2.3 Human rights risk mitigation plan	p. 9-11
	B.2.4 Tracking the effectiveness of actions to respond to human rights risks and impacts	p. 9-11
	B.2.5 Communicating on human rights impacts	p. 9-11, 12

# Global Initiatives

## UNGP REPORTING FRAMEWORK

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	C.6 Company involvement with state based judicial and non judicial grievance mechanisms	p. 9-11, 24
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# Global Initiatives

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	C6. Remediation	Post-support activities for victims related to human rights	p. 9-11

# Dong-A Socio Holdings Human Rights Charter

## CHAPTER 1 OUTLINE

### Article 1 (Purpose)

Dong-A Socio Holdings declares this Human Rights Charter to actively practice human rights management as well as prevent human rights violations from business operations and mitigate relevant risks. Dong-A Socio Holdings complies with international standards and guidelines related to human rights and labor, including the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, International Labor Organization Constitution and Core Conventions, and OECD Due Diligence Guidance for responsible Business Conduct.

### Article 2 (Scope)

This Human Rights Charter applies to all stakeholders related to Dong-A Socio Holdings' management activities, including Dong-A Socio Holdings' employees (including executives, employees, and part-time employees), customers, investors, suppliers, and local communities. Work related to Dong-A Socio Holdings' human rights management shall be handled according to this Human Rights Charter except for cases where there are special regulations in other laws or Articles of Association.

### Article 3 (Human Rights Risk Management System)

Regular risk assessments and improvements shall be made and the results shall be sufficiently shared with stakeholders to identify, in advance, and analyze actual/potential human rights risks, targeting Dong-A Socio Holdings' business or management activities, and to prevent or minimize the risks. The organization, etc. in charge of human rights management of Dong-A Socio Holdings implements the human rights risk management system according to the principle of good faith, and periodically reviews/manages the human rights risk management system by actively reflecting social changes.



## CHAPTER 2 BASIC PRINCIPLES

### Article 4 (Prohibition of Discrimination)

Dong-A Socio Holdings shall not discriminate in relation to recruitment, such as acceptance of applications, hiring, promotion, training, wage, and welfare on grounds of gender, race, ethnic group, nationality, religion, disability, age, family status, social status, political view, etc. of all employees without a reasonable cause, and shall build an organizational culture of respecting employee diversity.

### Article 5 (Compliance with Working Conditions)

Dong-A Socio Holdings complies with statutory work hours and guarantees minimum wage according to laws of the country in which it conducts business. In addition, it provides sufficient education opportunities for competency-building of all employees and a work environment that is appropriate for performing duties.

### Article 6 (Humanitarian Treatment)

Dong-A Socio Holdings respects all employees' privacy, strictly protects personal information, and does not engage in mental or physical coercion, abuse, or unreasonable treatment.

### Article 7 (Guarantee of Freedom of Association and Collective Bargaining)

Dong-A Socio Holdings respects the labor relations laws of the country to which this Human Rights Charter applies, and provides all employees with sufficient communication opportunities.

### Article 8 (Prohibition of Forced Labor and Child Labor)

For all employees, Dong-A Socio Holdings does not force work against one's will by engaging in such acts as assault, threat, and confinement or demanding one's ID or visa, etc. Dong-A Socio Holdings prohibits child labor in principle and takes measures so that education opportunities are not restricted for minors due to work.

### Article 9 (Guarantee of Occupational Safety)

Dong-A Socio Holdings regularly inspects business sites' facilities, equipment, tools, etc. so that all employees can work in a safe work environment, and establishes appropriate measures that are aimed at preventing physical/mental risks and support measures for follow-up management.

### Article 10 (Protection of Local Residents' Human Rights)

Dong-A Socio Holdings pays attention so that local residents' human rights are not violated by business or management activities, and protects local residents' rights regarding safety and health and their freedom of residence.



# Dong-A Socio Holdings Human Rights Charter

## CHAPTER 3 ESTABLISHMENT OF A SYSTEM

### Article 11 (Establishment of Governance)

#### 1. Human Rights Management Responsibilities

Dong-A Socio Holdings approves human rights management policy through the BOD, which is the top decision-making body, and the Dong-A Socio Group Social responsibility Council (DSC) deliberates Group-level human rights management activity strategies, goals, and outcomes. The Social Responsibility Planning Division, which is a working-level council for execution of social responsibility management, supports overall social responsibility management-related work, including human rights management, and collaborates with various teams. The scope of roles and responsibilities of committees or working-level meetings, etc. can be the following: 1) manage the approval/execution of human rights management policy; 2) manage and supervise the execution of human rights management improvement tasks; 3) recommend measures regarding execution of human rights risk assessments and results; 4) other matters that are deemed as necessary for protection of human rights.

#### 2. Implementation of Human Rights Management

Dong-A Socio Holdings shall have an organization that is in charge of human rights management and have the organization execute relevant work. Work that should be executed by the organization in charge of human rights management may be the following: 1) enact/amend the Human Rights Charter; 2) establish a human rights management execution plan; 3) assess human rights risks; 4) operate grievance settlement channels; 5) internal education and report, and external communication.

### Article 12 (Remedy of Human Rights Violations)

#### 1. Report/Receive Reports on Human Rights Violations

Dong-A Socio Holdings operates on/offline grievance counseling channels that anyone can use and an outsourced reporting system that can receive reports anonymously to provide remedy to employees and stakeholders who were subject to a human rights violation or are aware of human rights risks. Reported content is handled anonymously according to the whistleblower anonymous report policy, and employees who reported damage or employees whose damage case was acknowledged are protected so that they are not subject to disadvantageous treatment.

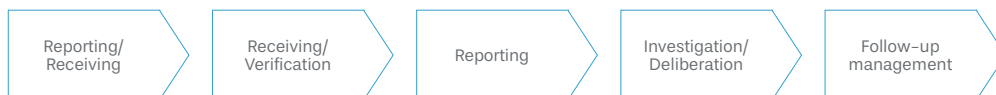
##### Human Rights Violation Reporting Channel

- CLEAN :D (<https://audit.donga.co.kr>)
- K-Whistle (<https://gamasot.dongasocio.com/index.php/jebo-hagi>)
- Grievance Counseling Center and Dong-A Socio Human Respect Committee ([da\\_humanrights@donga.co.kr](mailto:da_humanrights@donga.co.kr))

#### 2. Dong-A Socio Human Rights Committee

Dong-A Socio Holdings shall form the "Dong-A Socio Human Rights Committee" to deliberate the handling of human rights violation reports. In the event of a human rights violation issue, a report is made to the Human Rights Committee. Human rights violation cases are handled fairly and quickly in accordance with a set procedure based on objective facts by applying the "zero tolerance principle." The Committee shall seek the best remedy method by referring to court precedents on human rights violation cases, past internal processing practices, and other industry practices and by receiving support from the compliance officer.

#### 3. Human Rights Violation Redress Procedure



### Article 13 (Education and Dissemination)

#### 1. Human Rights Management Education

Dong-A Socio Holdings shall provide human rights management education that is aimed at enhancing employee understanding of respect for human rights and improving their perception, and communicating the human rights management implementation direction and execution plan. Through the human rights management education, Dong-A Socio Holdings shall prohibit discrimination among employees and encourage employees to actively report human rights violation cases and risks that are discovered.

#### 2. Human Rights Management Dissemination

Dong-A Socio Holdings shall disclose information on the Human Rights Charter and execution plan and the human rights risk assessment process and results both internally as well as to all stakeholders related to Dong-A Socio Holdings' management activities.

## CHAPTER 4 RISK MANAGEMENT

### Article 14 (Risk Assessment)

#### 1. Human Right Impact Assessment

Dong-A Socio Holdings shall develop indexes that can evaluate human rights risks in consideration of corporate connection and conduct assessments based on the basic principles of this Human Rights Charter as well as the UN Guiding Principles on Business and Human Rights, OECD Due Diligence Guidance for Responsible Business Conduct, and corporate "human rights management guidelines and checklist" of the Ministry of Justice. The team that supervises human rights management supervises human right impact assessments, and can request for relevant materials to each team. If determined as necessary, it can carry out the assessment by outsourcing it to an external independent organization.

#### 2. Operation of the Human Right Impact Assessment Process

Dong-A Socio Holdings shall operate a human right impact assessment process that enables identification of the status of occurrence of human rights violation cases and likelihood of potential human rights risks for organizations that are included in the application scope of this Human Rights Charter. The assessment scope includes human rights management policies, guidelines, procedures, and systems that were established to manage the establishment and operation of the human rights management system. Assessment indexes and guidelines are provided to assessment targets to carry out a written inspection (self-assessment). For matters that were found lacking according to the assessment results of the assessment target, a recommendation shall be made to establish an improvement plan. Based on the written inspection results, a due diligence may be performed to examine, in detail, whether there are risks at an organization by checking human rights-related internal regulations and systems and by implementing an interview and onsite inspection process. Dong-A Socio Holdings shall regularly review and amend human rights risk assessment indexes and process to precisely identify human rights violation cases and efficiently operate the assessment process.



# Dong-A Socio Holdings Human Rights Charter

## **Article 15 (Execution of Improvements for Risks)**

### **1. Derive and Discuss Improvement Measures**

Dong-A Socio Holdings shall establish improvement measures and execution plans for human rights risks that were derived as a result of a human rights risk assessment, and derive detailed execution tasks for implementation of improvement measures.

### **2. Monitor the Execution Status**

Dong-A Socio Holdings shall continually monitor whether the employee in charge of relevant work, etc. of the organization that received a human rights risk assessment is faithfully and smoothly implementing improvement measures that were mutually discussed. Regular communication shall take place so that detailed tasks are executed according to the schedule and expected outputs are secured in a timely manner.

## **Article 16 (Disclosure of Status and Results)**

### **1. Report to Major Decision Makers**

Dong-A Socio Holdings shall report significant implications, important risks, and improvement measures that were identified through a human rights risk assessment to major decision makers, etc. including committees, management meetings, and working-level meetings. Report materials that received approval from committees, management meetings, major decision makers, etc. may be shared with teams in charge, etc. to enhance effectiveness of human rights management execution.

### **2. Outside Disclosure**

Dong-A Socio Holdings shall disclose information on human rights management activities through channels such as its website and sustainability report, and select a disclosure channel that enables easy access and clear understanding by employees and other stakeholders.

## **Appendix**

### **1. Contact Information**

#### **Person in Charge of Dong-A Socio Holdings Human Rights Charter**

- Team: HR Strategy Team
- E-mail: ohwooho@donga.co.kr

### **2. Reference Materials**

We have established this Human Rights Charter based on the human rights provisions specified in domestic and international human rights standards and related laws, as well as standards and initiatives.

- ① UN, Universal Declaration of Human Rights (1948)
- ② UNGC, A human Rights Management Framework (2010)
- ③ UN, The UN Guiding Principles on Business and Human Rights (2011)
- ④ OECD, The OECD Guidelines for Multinational Enterprise (2011)
- ⑤ OECD, Due Diligence Guidance for Responsible Business Conduct (2018)
- ⑥ Constitution of the Republic of Korea
- ⑦ National Human Rights Commission of Korea, Public Institution Human Rights Management Manual (2018)
- ⑧ National Human Rights Commission of Korea, Human Rights Impact Assessment Checklist for Business (Institution) Operations (2018)
- ⑨ Ministry of Justice, Standard Guidelines for Business Human Rights Management (Draft) (2019)

# About This Report

## REPORTING STANDARDS

- OECD 2011 Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- 2021 Guide on Business and Human Rights by the Ministry of Justice of the Republic of Korea
- 2014 Human Rights Management Guidelines and Checklist by the National Human Rights Commission of Korea
- UN Global Compact: We support the Ten Principles in the four areas of human rights, labour, environment, and anti-corruption of the UN Global Compact (UNGC), a global corporate social responsibility initiative. We strive to comply with these principles across all aspects of our management by reflecting the connectivity with the UN Sustainable Development Goals (SDGs).

## REPORTING SCOPE AND BOUNDARY

The scope of this report includes the entire Dong-A Socio Group. Some performances are based on individual Group affiliates, and if the reporting scope varies by performance, a detailed scope is specified separately. In the case of individual activities of Group affiliates, the name of the company is indicated.

## REPORTING PERIOD

January 1, 2023 – December 31, 2023 (Some performances include the first half of 2024.)

### Contact Information

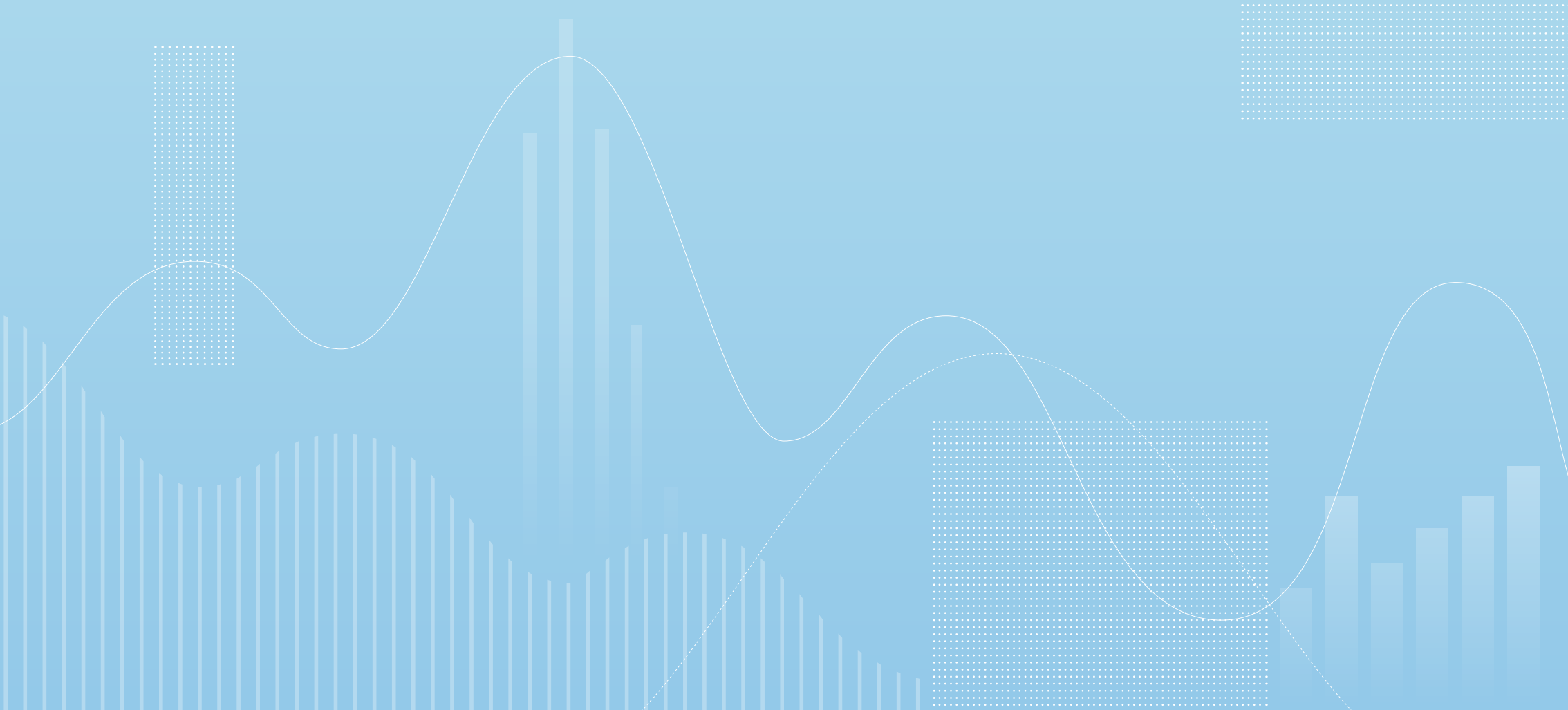
HR Strategy Team, Dong-A Socio Holdings

Tel: +82-2-920-8165

E-mail: [da\\_humanrights@donga.co.kr](mailto:da_humanrights@donga.co.kr)



# Dong-A Socio Group 2023 Human Capital Report



# CHRO Message

## Dear Employees and Stakeholders,

In 2024, Dong-A Socio Group aims to build a more long-term and sustainable HR environment by distributing the Human Capital Report to our stakeholders, and sharing information about our employees and HR initiatives.

Dong-A Socio Group is a healthcare-based, medium-sized corporate group consisting of 13 companies including the holding company, Dong-A Socio Holdings. As of the end of 2023, approximately 6,111 employees are working within the Group. The business was launched in December 1932, and for over 90 years, we have strived to contribute to humanity's health and happiness. Throughout this period, HR has established and linked five major HR principles<sup>1)</sup> to our management philosophy under the slogan "Human Respect HR." We held our first public recruitment drive in 1959, and established development centers in Yongin, Gyeonggi Province in 1980 and in Sangju, Gyeongsangbuk-do in 2016, reflecting our growth through a culture that values diversity, creativity, and autonomy.

This report originates from contemplating how we might measure our primary management goal of guaranteeing our "employees a productive engagement with, and a happy experience of, their work." For over 90 years, we have consistently invested in selecting, nurturing, and placing our employees in order to foster their happiness. And now we aim to advance further through measurement, thereby creating sustainable and evolving happiness for all our employees.

This report, which adheres to the guidelines on reporting human capital of ISO 30414, the international standard, discloses essential indicators and sets concrete goals for utilizing this information as a criterion for stakeholders to assess the growth potential of Dong-A Socio Group. We also hope to improve the quality of the Group's HR operations by managing and enhancing indicators related to effective human capital that have an impact on sustainability.

This report will serve as an opportunity to more clearly consider the HR issues faced by Dong-A Socio Group, the process of overcoming them, and our vision and direction. We value the opinions of each of our employees and our various stakeholders, and we are committed to doing our utmost to ensure everyone's sustainable happiness.



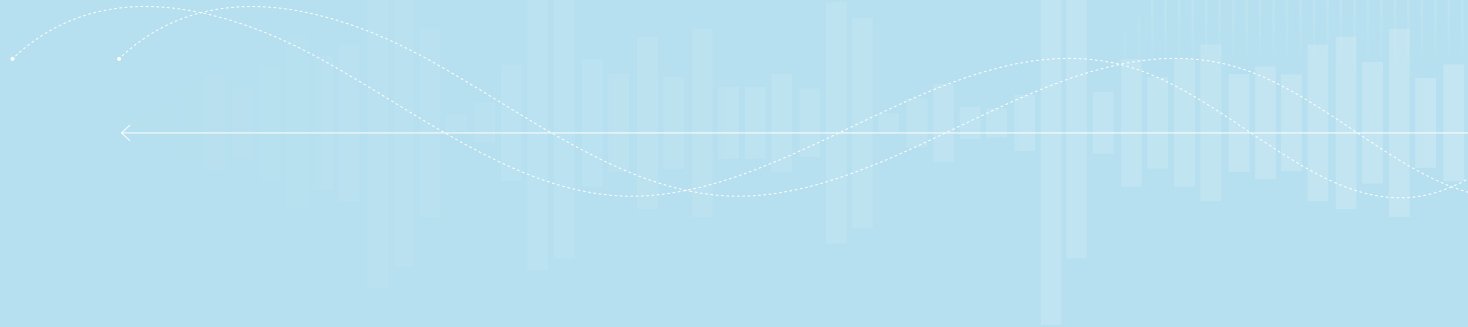
**Byung-ki Moon**  
Chief HR Officer,  
Dong-A Socio Holdings



<sup>1)</sup> Dong-A Socio Group's five main HR principles are as follows: Job and role-based HR operations; creation of a fair competition environment; establishment of an innovation culture; respect for performance; nurturing of talents who contribute to humanity.



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- 52 Development of leaders at each level and experts in various fields

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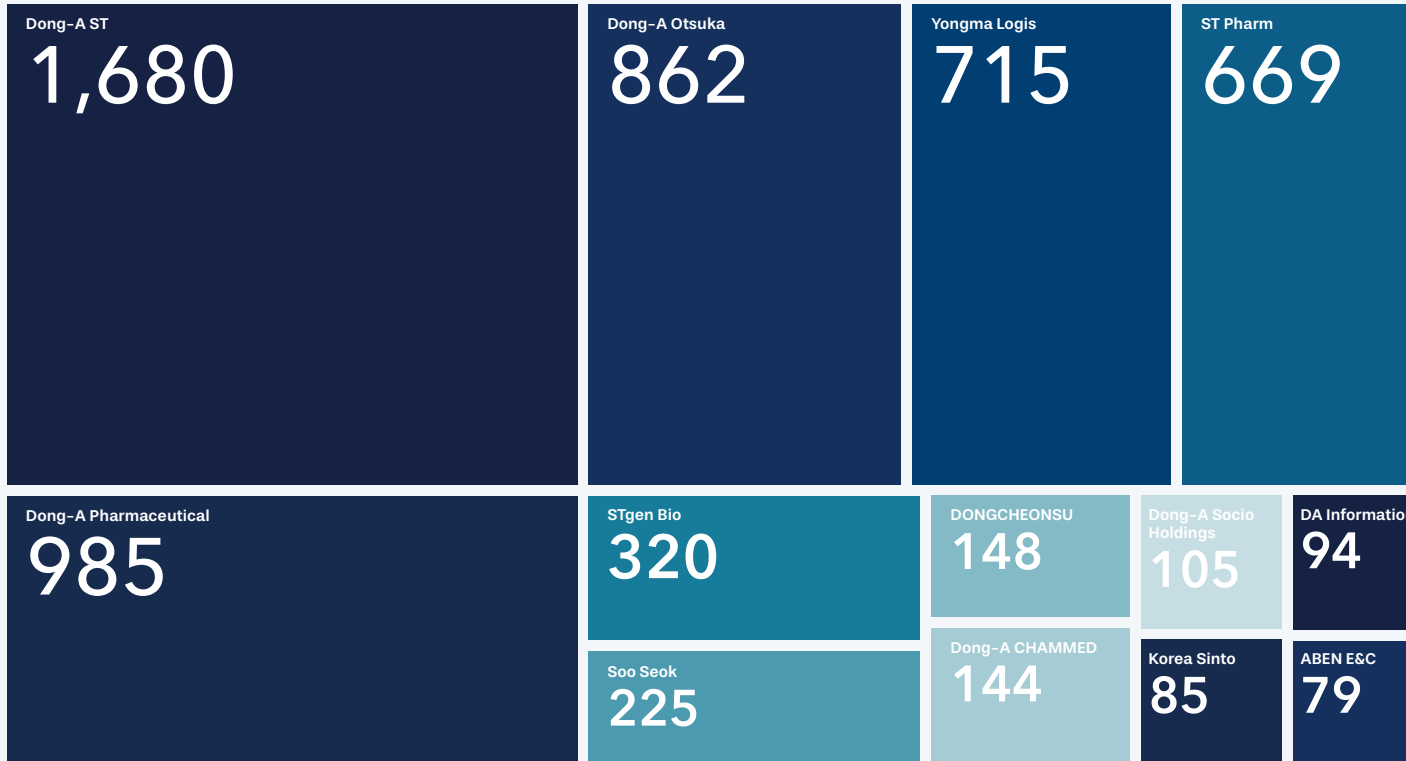
- 57 Legal compliance and strict risk management policies
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6

# Human Capital Status of Dong-A Socio Group

## Total FTE<sup>1)</sup> of Dong-A Socio Group

6,111 persons



<sup>1)</sup> Based on the data of the entire Group, with 8 hours a day per person and 40 hours a week in principle, and the number of personnel is replaced by FTE (Full Time Employment).

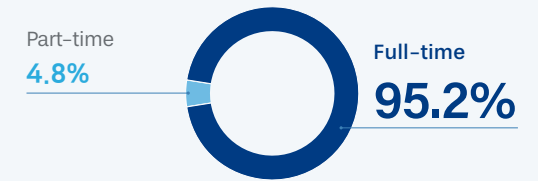
## Composition of Workforce

### New Hires

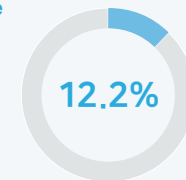
+964 persons



### Ratio of Full-time and Part-time Employees



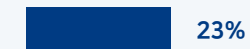
### Turnover Rate



\* As of 2023

## By Age

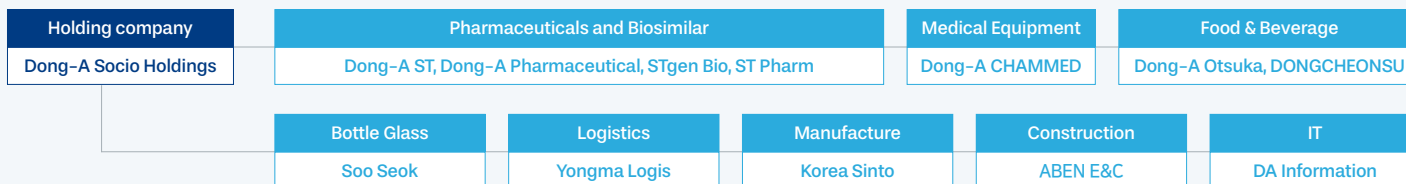
### Under 30 years old



### 30 - 50 years old



### Over 50 years old

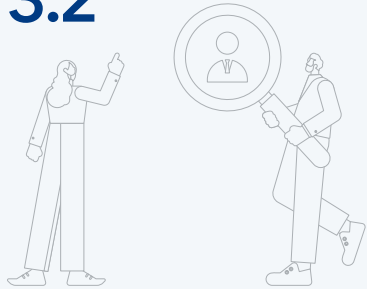


# Human Capital Status of Dong-A Socio Group

## Leadership Trust Index

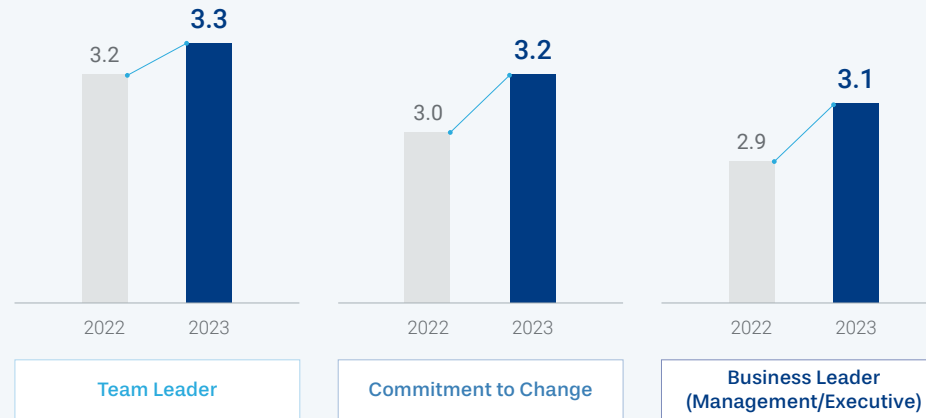
### 2023 Organizational Culture Diagnosis Results

3.2



\* The average score in the Leadership Trust area from the 2023 organizational culture diagnosis results

### Sub-diagnostic Areas



## Talent Development

KRW **378,000**  
Job training costs per employee

\* As of 2023



**32** hours  
Job training hours per employee



## Human Capital Return on Investment (HCROI)

**3.99**

Dong-A Socio Holdings (Holding company)

\* As of 2023



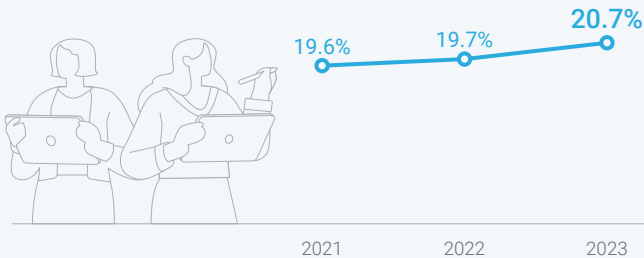
**1.28**

Average of operating companies

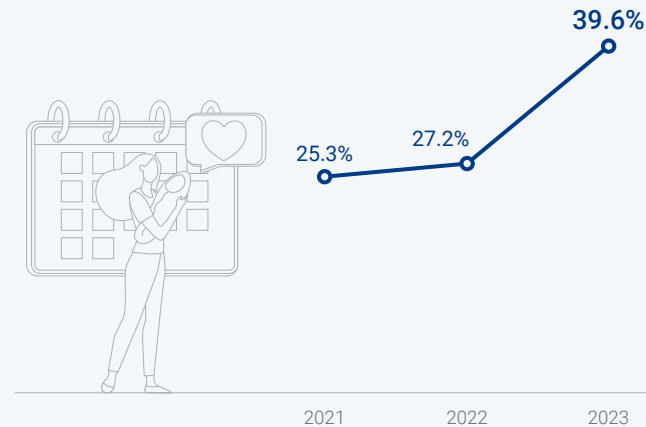


## Female Talent

### Percentage of Female Workforce



### Maternity Leave Utilization Rate (Female Talent)



## Workplace Safety Management

**0.002**

Lost time for injury<sup>1)</sup>

\* As of 2023



<sup>1)</sup> Ratio of lost work hours due to occupational accidents: Lost work hours due to sick leave and medical leave / Total work hours for the year

**13.2** hours/person

Safety training hours completed per employee



# Innovative organizational culture where diversity is respected

## Efforts toward respecting and embracing diversity

Dong-A Socio Group prohibits all discrimination based on age, gender, disability, race, and personal sexual preferences, and provides equal opportunities in all areas of HR, thereby promoting diversity among its employees. As a signatory of the UN Global Compact (UNGC), Dong-A Socio Holdings has embedded the principle of eliminating employment and workplace discrimination directly into its management strategies. An inclusive culture created by diverse members supports balanced decision-making and fosters a culture of innovation and creativity within the organization. Moreover, when employees feel that diversity is well-managed within the organization, they engage in their work with more enthusiasm and positive energy.

### Workforce diversity with respect to: Age

#### Age distribution and activities for managing age diversity

■ Over 50 years old ■ 30 – 50 years old ■ Under 30 years old

##### Characteristics by Generation

##### Lifecycle Custom Programs

##### Participation of 1,716 employees

We design agendas for various life stages together with employees, covering post-employment marriage and family planning, financial planning, leisure activities, health maintenance and management, and post-retirement.



##### Lifecycle Welfare System

We provide financial support for personal graduate studies, marriage/ birth celebrations, housing funds, children's education, and age-specific health examinations.



14%

63%

23%

##### Harmony between Generations

##### Mentoring Program

##### 136 persons in total

Mentors with company experience and job know-how are assigned to mentees to provide direct guidance and grow together.



##### Junior Board

##### Dong-A Pharmaceutical, Dong-A ST, Soo Seok

A board has been established where junior members come together to identify common company issues, explore opportunities for improvement, and report to senior management.



\* Scope: 13 Dong-A Socio Group affiliates

\* Number of employees under 14 years old: zero

# Innovative organizational culture where diversity is respected

## Workforce diversity with respect to: Gender

Dong-A Socio Group reports on gender diversity in accordance with the ISO 30414 guidelines. Efforts are made to provide equal opportunities in all areas of HR – recruitment, promotion, training, performance evaluation, and compensation – based on merit, without any gender bias. This process is monitored based on such laws as the Sexual Equality Employment Act, the National Human Rights Commission of Korea Act, the Framework Act on Employment Policy, and the Regulations Concerning Gender Equality in Employment.

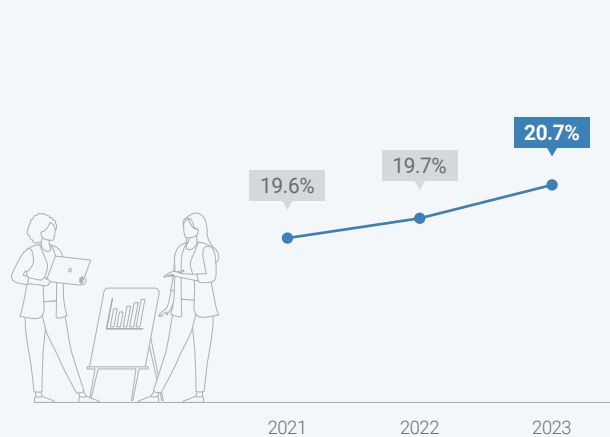
As of 2023, the proportion of female employees at Dong-A Socio Group increased year-on-year to reach 20.7%. Since 2022, six affiliates – Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, ST Pharm, STgen Bio, and DA Information – have maintained a female employee rate of over 20%. In 2023, Dong-A CHAMMED also achieved this threshold, bringing the total to seven companies.

Additionally, Dong-A Socio Holdings participated in the 2023 GEK (Gender Equality Korea) Women Leaders Network hosted by the UNGC Korea Association. The GEK Women Leaders Network, launched by the UNGC Korea Association, aims to enhance the capabilities and leadership skills of female professionals with over ten years of experience through various programs.

## Workforce diversity with respect to: Other indicators

Dong-A Socio Group is committed to complying with the related laws and regulations, including the mandatory employment system for persons with disabilities. We are dedicated to creating an environment where all talents can thrive, regardless of any disability. To this end, in September 2023, we collaborated with the Korea Employment Agency for Persons with Disabilities to develop recruitment strategies aimed at enhancing the employment of disabled individuals.

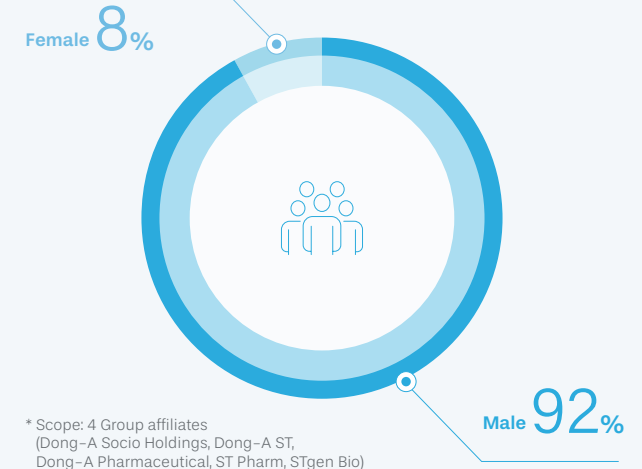
### Ratio of female employees<sup>1)</sup>



\* Scope: 13 Dong-A Socio Group affiliates

<sup>1)</sup> Gender categories: Male, Female  
(Number of individuals self-identifying with other gender diversity: 0)

### Leadership diversity



\* Scope: 4 Group affiliates  
(Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, ST Pharm, STgen Bio)

### Ratio of employees with disabilities, veterans, and foreign nationals

Category	2021	2022	2023
Ratio of employees with disabilities	1.3%	1.3%	1.2%
Ratio of veterans	1.8%	1.7%	1.3%
Ratio of foreign nationals	0.5%	0.3%	0.6%

\* Scope: 13 Dong-A Socio Group affiliates

### Time for completing sexual harassment prevention training

1.1 hours/employee

\* Scope: 13 Dong-A Socio Group affiliates



### Time for completing disability awareness training

1.1 hours/employee

\* Scope: 13 Dong-A Socio Group affiliates





# Innovative organizational culture where diversity is respected

## Building trust in the organization and its leaders

### Efforts for the development of organizational culture

Dong-A Socio Group operates a number of communication channels and conducts various surveys to listen to the voices of its employees and positively transform the organizational culture.

**Organizational Culture Diagnosis** We have been conducting the Organizational Culture Diagnosis with an aim to concretize a management philosophy centered on employees' happiness and to build a competitive organizational culture. This involves understanding the current situation and identifying the causes of problems, establishing improvement tasks based on the employees' opinions, and sharing diagnostic results. Each affiliate company promotes annual improvement activities based on the results of the diagnosis and establishes a sustainable organizational culture diagnostic framework through performance analysis and evaluation.



### Status of the 2023 Organizational Culture Diagnosis

#### Subjects of Diagnosis



5,735 persons

\* Based on the workforce of 13 Dong-A Socio Group affiliates

#### Response Rate



80.6%

\* 4.3%p increase compared to 2022

#### Number of Diagnostic Items



68 items



### Status of Sharing the Results of the 2023 Organizational Culture Diagnosis

#### Executives and Leaders



14 sessions

Number of sessions held for leaders to enhance their capability to execute improvements, including executives

#### Employees



100%

A results-sharing meeting was held in the first quarter of 2024 for all employees across 13 Group affiliates, with an aim to secure consensus through transparent sharing of results and to drive the execution of improvement tasks



# Innovative organizational culture where diversity is respected

**Management of the Leadership Trust Index** Dong-A Socio Group has chosen and is monitoring scores for team leader-level leadership, commitment to change, and executive and management-level leadership from approximately thirty company-wide organizational culture diagnostics as leadership trust indices. Each score represents a converted value from Likert 5-point scale responses. In managing these indices, the emphasis is placed on monitoring trends in each area rather than on the individual scores themselves.

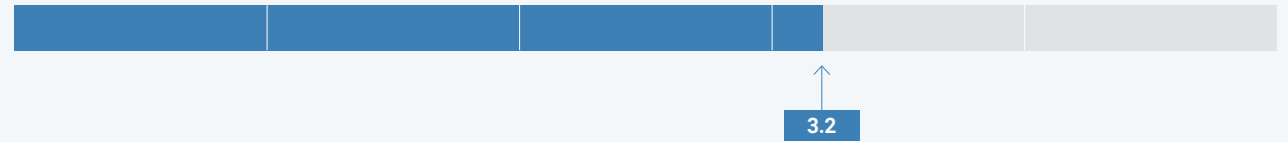
In 2023, all sub-indices of leadership trust increased compared to 2022. The representative values of the three indicators also increased, with the leadership trust score for 2023 being 3.2 out of 5. The detailed indicators are as follows:

Team leader-level leadership is a quantitative measure of team leadership performance (team leader) during collaboration with their team members. It encompasses clear task directives and decision-making, delegation of autonomy and authority, praise and recognition, equitable treatment, responsibility, proactive communication, as well as coaching and feedback.

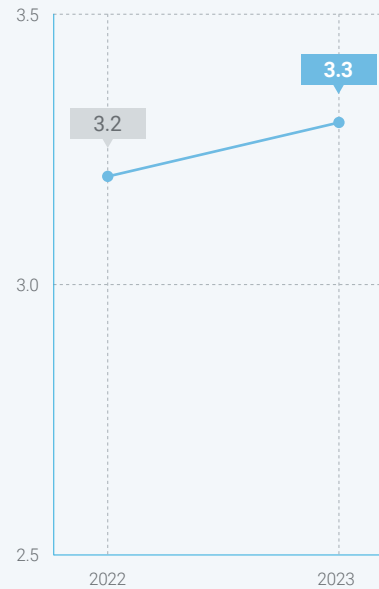
Commitment to change is an indicator to measure how much Dong-A Socio Group's organizational leaders (executives and management) participate in activities aimed at improving the organizational culture. It quantifies their proactiveness in presenting concrete directions and emphasizing the need for change.

Executive and management-level leadership is a quantitative indicator of the leadership expected from executives and management, including the ability to present visions and strategies and create an environment for nurturing talents.

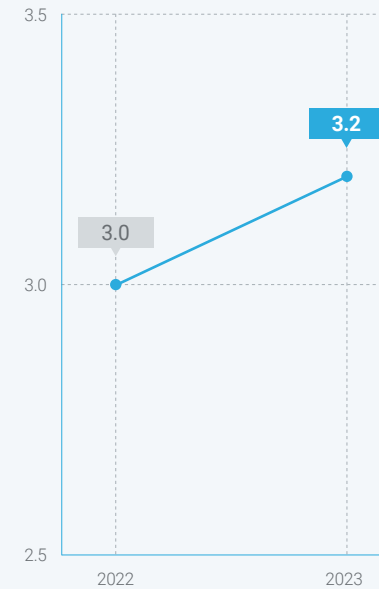
## Leadership trust index (2023)



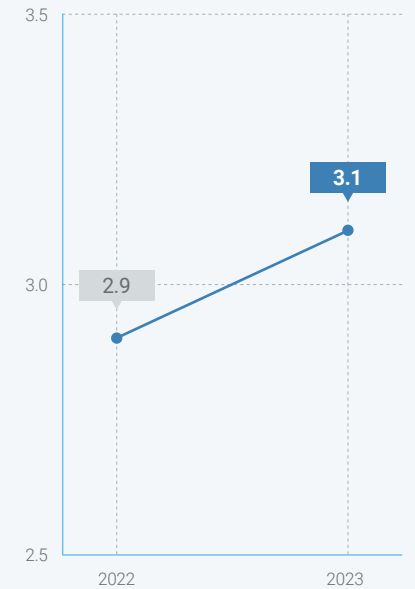
## Team leader-level leadership



## Commitment to change



## Executive and management-level leadership



Team leader-level leadership	Commitment to change	Executive and management-level leadership
3.2 → 3.3	3.0 → 3.2	2.9 → 3.1

# Attracting and retaining talent for sustainability

## Employment status and stability of employees

### Distribution of employment contract types

Dong-A Socio Group maintains a high level of job security, thereby ensuring employees' social stability and driving their engagement in their work. Most recruitment is for permanent positions, and when vacancies occur, the conversion of temporary staff is prioritized. This allows employees to build strong collaborative relationships in a stable work environment, deeply understand the company's goals, strategies, policies, and procedures, and sustainably maintain stable group operations.

### Main composition of part-time positions

Among all part-time staff, 63% are contract executives and research fellows. The remaining 37% are interns and contract workers, some of whom may be considered for permanent recruitment, including interns at STgen Bio (internship upon entry-level hiring) and contract workers.

### Ratio of employees by employment type

Category	2021	2022	2023
Full-time	95.8%	95.6%	95.2%
Part-time	4.2%	4.4%	4.8%

### Number of employees by employment type

Category	2021	2022	2023
Full-time	5,209 persons	5,407 persons	5,820 persons
Part-time	229 persons	246 persons	291 persons
Total <sup>1)</sup>	5,438 persons	5,653 persons	6,111 persons

\* Scope: 13 Dong-A Socio Group affiliates

<sup>1)</sup> Based on the data of the entire Group, with 8 hours a day per person and 40 hours a week in principle, and the number of personnel is replaced by FTE (Full Time Employment).

### Position of part-time employees



\* Scope: 4 Group affiliates (Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, ST Pharm, STgen Bio)

# Attracting and retaining talent for sustainability

## Securing and retaining a stable workforce

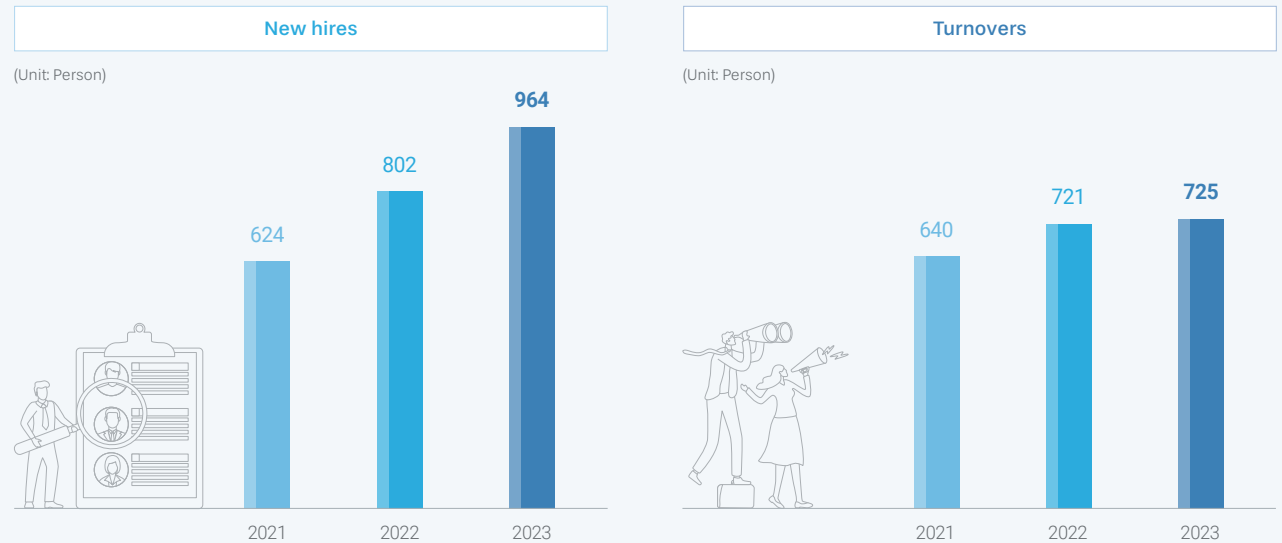
### Recruitment and succession planning

**Recruitment** Dong-A Socio Group discloses the total number of new hires and turnovers in accordance with the GRI 401 (Global Reporting Initiative Standards 401: Employment) and ISO 30414 guidelines on human capital management. New recruits are primarily classified as replacements for existing vacancies and new hires for business expansion. The goal is to minimize productivity losses due to workforce gaps and to promptly secure suitable talents who meet the demands of a frequently changing business environment.

The ratio of new hires to turnovers provides insights into the net workforce growth for that year. Increases are mainly due to reasons such as business growth (organizational growth, expansion in scale) and enhancement of technical expertise. In 2023, DA Information of the IT business first recorded a new hire to turnover ratio of 1.6, primarily due to the acquisition of specialized personnel resulting from technological advancements and the expansion of operational tasks.

**Succession Planning** Dong-A Socio Group is committed to ensuring leadership continuity through effective succession planning. The Group manages approximately 100 position profiles<sup>1)</sup>, with each affiliate selecting suitable successors by aligning these profiles with employee information. Dong-A Socio Holdings oversees the succession planning efforts of each affiliate, monitors their progress and verifies the suitability of the selected candidates. Efforts to enhance the succession process include improving the evaluation systems, developing processes for nurturing successors, and integrating data-driven personnel information.

#### Status of new hires and turnover



\* Scope: 13 Dong-A Socio Group affiliates

#### New hire to turnover ratio

Category	2021	2022	2023
Dong-A Socio Group	1.0	1.1	1.3
Group affiliates	ST Pharm (1.9) DONGCHEONSU (1.2)	ST Pharm (2.0) Yongma Logis (1.5) ABEN E&C (1.4) DONGCHEONSU (1.2)	ABEN E&C (2.4) STgen Bio (2.4) DONGCHEONSU (2.0) Yongma Logis (1.6) DA Information (1.6)

\* Scope: 13 Dong-A Socio Group affiliates

<sup>1)</sup> Documentation containing the key information required for performing the position, such as roles, responsibilities, prior experience, and essential knowledge and skills

# Attracting and retaining talent for sustainability

## Employee retention strategy and turnover rate

Dong-A Socio Group is aware of the cost increases and various business issues caused by rising turnovers and is making systematic efforts to manage them. Group affiliates conduct separate interviews upon resignation and accumulate related data, focusing on managing by categorizing the reasons for resignation<sup>1)</sup> and deriving causes linked to business situations for practical resolution.

As of 2023, the turnover rate stood at 12.2%, which includes both voluntary and involuntary turnovers. This figure encompasses various factors, including contract expirations, resignations from internal transfers within Group affiliates, and retirements due to age.

In response to the increased resignation rates among early-career employees (0-6 years) in 2021, a skill onboarding system was introduced the following year. Through this, new employees were able to quickly adapt to their roles, communicate and collaborate smoothly with existing staff, and begin contributing value to various tasks within a relatively short period.

In addition, to prevent burnout among mid-career employees (7-10 years) and maintain a sustainable level of motivation, additional sabbatical leaves are granted to employees with over ten years of service. Besides the regular incremental annual leave based on service duration, Dong-A Socio Group also offers up to five days of refresh leave to help maintain a healthy balance between work and personal life.

### Turnover rate



\* Scope: 13 Dong-A Socio Group affiliates

### Retention programs

#### Onboarding program for new hires

Completed by **223** employees



\* Scope: 13 Dong-A Socio Group affiliates

#### Granting sabbatical leave

2021  
**178** persons  
(1,780 days in total)

2022  
**173** persons  
(1,730 days in total)

2023  
**171** persons  
(1,710 days in total)



\* Scope: 4 Group affiliates (Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, ST Pharm, STgen Bio)

<sup>1)</sup> Reasons for resignation include childcare (including domestic duties), transfer to affiliate companies, personal business, study, contract expiration, job or career change, among others



# Efforts to ensure employee health and happiness

## Maintaining a safe working environment

### Work environment safety

Dong-A Socio Group prioritizes the health and safety of its employees, managing and monitoring them continuously. Beyond general disaster management, the Group implements workplace health and safety policies based on the Occupational Safety and Health Act and the Serious Accidents Punishment Act. Depending on the size of each Group affiliate, dedicated teams or workplace safety officers are appointed to establish and manage a health and safety management system that complies with the ISO 45001 (Occupational Health and Safety Management Systems) international standard. Related data are regularly reported to the Board of Directors, and in the event of issues, the root causes of safety management gaps are identified and corrective actions are implemented under clearly defined responsibilities. Specifically, Dong-A Pharmaceutical, Dong-A ST, Yongma Logis, and STgen Bio have acquired the ISO 45001 certification, primarily for their production facilities, thereby ensuring reliability based on international standards and procedures.

### Safety training status

Dong-A Socio Group conducts annual occupational health and safety training for all its employees. The training is delivered through a blended learning approach that combines online and offline methods tailored to specific topics. The internal Learning Management System (LMS) is used to track and manage both trainees and those who complete the training. Annually, the number of completions and the completion rates are documented in the sustainability report and made available to stakeholders.

#### Occupational accidents and lost time for injury

Category	2022	2023
Number of occupational accidents (Injury)	30 cases	28 cases
Number of occupational accidents (Death)	0 cases	0 cases
Lost time for injury <sup>1)</sup>	0.001	0.002

\* Scope: 13 Dong-A Socio Group affiliates

<sup>1)</sup> Ratio of lost work hours due to occupational accidents: Lost work hours due to sick leave and medical leave / Total work hours for the year

Lost time for injury<sup>1)</sup>

0.002



#### Acquisition status of ISO 45001 (occupational health and safety management system) certification

Category	Dong-A ST <sup>1)</sup>	Dong-A Pharmaceutical <sup>2)</sup>	STgen Bio <sup>3)</sup>	Yongma Logis <sup>4)</sup>	Total
Certified business sites	4	3	1	3	11

<sup>1)</sup> Dong-A ST: Headquarters, Cheonan Campus, Daegu Campus, Songdo Campus

<sup>2)</sup> Dong-A Pharmaceutical: Dangjin Plant, Icheon Plant, Cheonan Plant

<sup>3)</sup> STgen Bio: Songdo Plant

<sup>4)</sup> Yongma Logis: Headquarters, Anseong Logistics Center 1/2

Percentage of the Group affiliates certified with ISO 25001

31%



#### Status of safety training completion

Category	2021	2022	2023
Total safety training hours	70,694 hours	102,319 hours	80,665 hours
Average training hours per person	13.0 hours	18.1 hours	13.2 hours
Total number of employees	5,438 persons	5,653 persons	6,111 persons

\* Scope: 13 Dong-A Socio Group affiliates

Total safety training hours

80,665 hours



# Efforts to ensure employee health and happiness

## Employee health and well-being

### Employee health check-up management

At business sites with fewer than 1,000 people, one nurse is stationed, whereas at those with more than 1,000, two nurses are assigned to each location. Resident nurses manage health check-ups and their results, provide health education, oversee worker health, including job stress and musculoskeletal disorders, and respond to health-related emergencies in the workplace. They also support the management of the Occupational Health and Safety Committee.

### Work-life balance

Dong-A Socio Group is committed to promoting social well-being among its employees, ensuring a healthy balance between work and family life for a happier existence. As of the end of 2023, the Group operates fourteen family-friendly programs, and seven affiliates have earned and are maintaining the certification under the "Family-Friendly Certification System<sup>1)</sup>." Additionally, the Group actively supports maternity and paternity leave for employees of all genders.

The ratio of employees eligible for parental leave to those who take it (parental leave usage rate) directly demonstrates the effectiveness of these policies. Throughout the entire Dong-A Socio Group, the parental leave usage rate (combined for men and women) has doubled over two years since 2021. In particular, the usage rate of parental leave among female employees has consistently increased since 2021, reaching 39.6% in 2023. The period from 2022 to 2023 marked a notable rise in this indicator.

#### Health check-up receipt rate

Category	2021	2022	2023
Dong-A Socio Holdings	100%	98%	100%
Dong-A ST	99%	98%	100%
Dong-A Pharmaceutical	99%	99%	99%

\* Scope: Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical

#### Health check-up receipt rate

98%



#### Parental leave usage status

Category	2021	2022	2023
Female	49 persons	52 persons	78 persons
Male	19 persons	34 persons	48 persons

#### Parental leave usage rate

Category	2021	2022	2023
Parental leave usage rate of women	25.3%	27.2%	39.6%

\* Scope: 13 Dong-A Socio Group affiliates

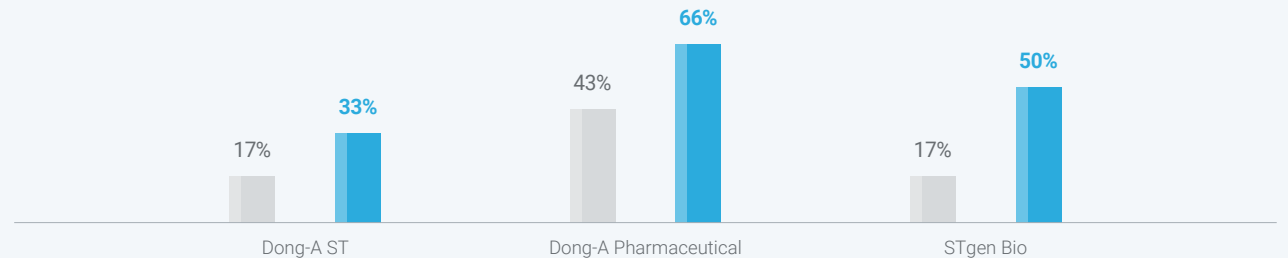
#### Increase in parental leave usage rate from 2021 to 2023

2 times

(Number of users compared to eligible parental leave recipients, Combined for both genders)



#### Parental leave usage rate of women



<sup>1)</sup> A certification by the Ministry of Gender Equality and Family for supporting the compatibility of work and family life for employees. Evaluation criteria include the top management's interest/will, the usage rate of family-friendly systems, employees' satisfaction with family-friendly management, etc.

# Talent development system to maximize potential

## Long-term investment in education

### Investment in training time and costs

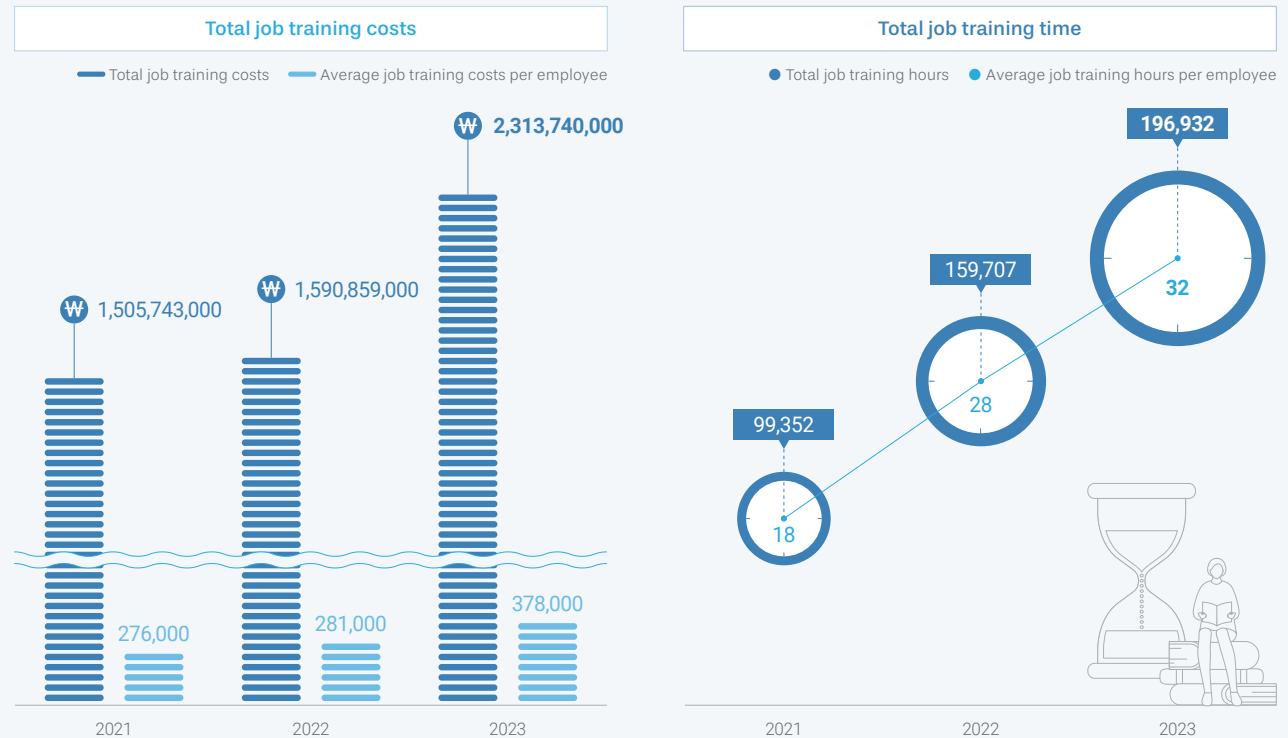
Dong-A Socio Group considers all resources devoted to employee training not merely as expenses but as long-term investments for enhancing productivity and ensuring sustainable growth. The company recognizes the need to retrain and upskill its employees to maintain competitiveness in a rapidly changing market environment, and expects this to strengthen corporate competitiveness in the long run.

In 2023, Dong-A Socio Group's total expenditure on job training increased by about 63% compared to 2022, with the average job training costs per person rising by about 50%. This increase is primarily due to the activation of face-to-face training following the COVID-19 endemic and to the expansion of the Individual Development Plan (IDP) system across the Group affiliates.

Dong-A Socio Group encourages both internal and external training, actively supporting employees' desire for growth. It also conducts regular internal surveys to check the efficiency of training operations, with measures in place to analyze and improve any deficiencies if its goals are not met.

We are focused on optimizing investment levels to achieve long-term sustainable growth and on establishing a fundamental culture of growth within the company. To this end, we offer educational programs tailored to specific job roles and competencies, thereby promoting the ongoing development of our employees.

### Status of costs and time for job trainings



Category	2021	2022	2023
Total job training costs	1,505,743,000	1,590,859,000	2,313,740,000
Average job training costs per employee	276,000	281,000	378,000
Total job training hours	99,352	159,707	196,932
Average job training hours per employee	18	28	32

\* Scope: 13 Dong-A Socio Group affiliates

# Talent development system to maximize potential

## Development of leaders at each level and experts in various fields

### Leadership development

The Dong-A Leadership Center (DLC) operates as a model for nurturing, validating, and selecting leaders poised to guide the next century, leveraging a leadership pipeline and the successful DNA cultivated by Dong-A Socio Group over the last 90 years. It is composed of Leadership Development Track, New Position Holder Track, and Leadership Enhancement Track.

The Dong-A Leadership Center provides all leaders across the thirteen group affiliates with practical leadership skills training that can be directly applied in real-world scenarios. By 2023, it had conducted 112 sessions, with 2,161 persons completing the program as of this year.

In 2023, Dong-A Socio Group conducted its inaugural leadership competency assessment of all managers and prospective promotion candidates throughout the Group affiliates. This assessment evaluates leadership skills, personal characteristics, and ethical awareness. Based on thorough analyses, various programs tailored to the diagnostic outcomes will be offered, supporting employees in their self-directed learning and efforts to bridge identified competency gaps.

### Definition of leader by position

4 phases of Dong-A leadership pipeline

Definition of leadership by stage

#### Business Leader

##### [Business Manager](#)

Stage of leading sustainable growth of the organization as a manager overseeing a specific business or function

#### Team Leader

##### [Performance Manager](#)

Stage of managing the responsible organization/personnel and maximizing the performance of the unit organization.

#### Emerging Leader

##### [Operations Manager](#)

Stage of growing as a role model for junior team members and as an expert in the field

#### Self Leader

##### [Working-level Officer](#)

Stage of performing tasks independently with an active learning attitude

### Dong-A Leadership Center model and leadership competency diagnosis

Leadership Development Track	New Position Holder Track	Leadership Enhancement Track
Competency Verification (Assessment Center)	Basic course on role awareness	Multi-faceted leadership diagnosis
Competency Evaluation Course (Evaluation Development Center)	Collective training courses	
Competency Learning Course (Learning Development Center)	Follow-up sessions (including group and 1-on-1 coaching)	Next leader pool-in
Basic Course on Role Awareness (Basic Course)		

### 2023 operational performance of the Dong-A Leadership Center (Cumulative)



Held **112** sessions

\* Scope: Emerging Leaders, Team Leaders, and Business Leaders across the 13 Group affiliates

Completed by **2,161** persons

\* Scope: 13 Dong-A Socio Group affiliates

### Overview of the multi-faceted leadership diagnosis



**910** persons

Assessment of capabilities of 910 leaders

\* All managers and promotion candidates across the 13 Group affiliates

**83.4%**

Participation rate in diagnostics from leaders, their superiors, and subordinates (4,453 persons/5,338 persons)

### Leadership training time



**15,346** hours

\* Scope: 4 Group affiliates (Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, ST Pharm, STgen Bio)

# Talent development system to maximize potential

## Job skill development

Dong-A Socio Group operates twenty-eight courses of various levels for five job categories (management support, sales, R&D, clinical, production and quality). These courses are continuously evaluated and monitored from diverse perspectives, particularly the participants' commitment to applying the skills in actual job situations, for which the score in 2023 was 4.3 out of 5.0.

We focus on reskilling and upskilling in order to nurture a workforce capable of understanding and utilizing digital technologies amid a business environment characterized by ever evolving innovations and changing customer expectations.

As part of this initiative, we conducted a digital transformation (DT) competency diagnosis for 780 executives and team leaders across the entire Group affiliates in 2023. In 2024, we plan to implement digital transformation tech training and business insight workshops.

## SooSeok Universität – Educational Management System

Dong-A Socio Group utilizes "SooSeok Universität," a cloud-based Learning Management System (LMS), to ensure the autonomy and convenience of employees' learning practices. Over 10,000 online educational contents are categorized by topic and competency, allowing employees to access training at any time, either online or via mobile. The status of job training, including mandatory legal training for all employees, is internally tracked and regularly reported to the top management using high-quality data.

### Training time for job skill development



81,942 hours

\* Scope: 4 Group affiliates (Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, ST Pharm, STgen Bio)

### Satisfaction with the job competency program and intent to apply the skills in real jobs

After running the job competency program, we assess and track two indicators – course satisfaction level and intent to apply the skills in real jobs. In 2023, both indicators achieved a representative score of 4.3 out of 5.

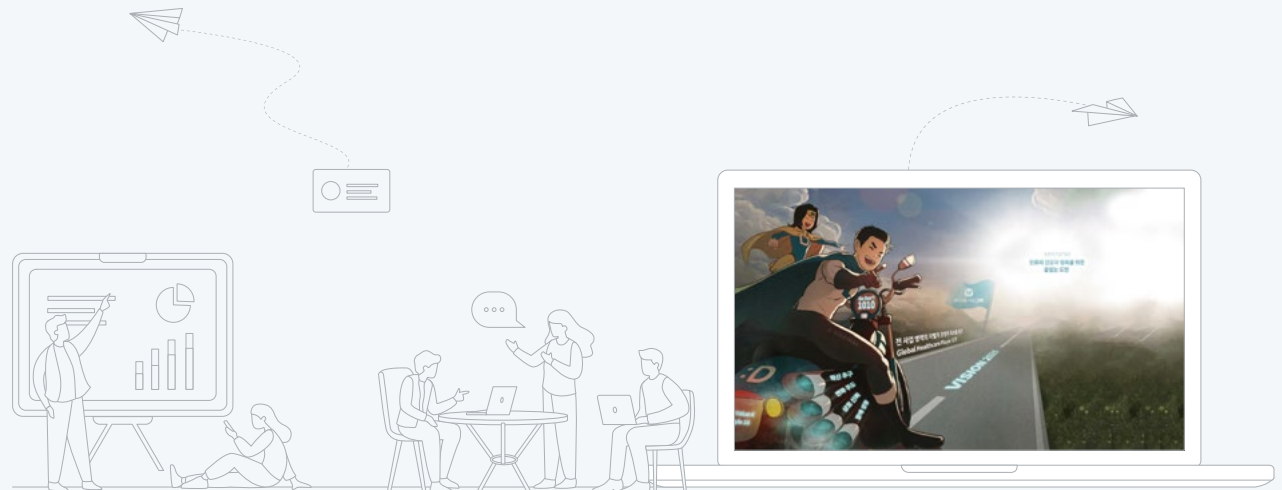
#### Course satisfaction level

4.3/5



#### Intent to apply skills in real jobs

4.3/5



# Investment in human capital and enhancement of value

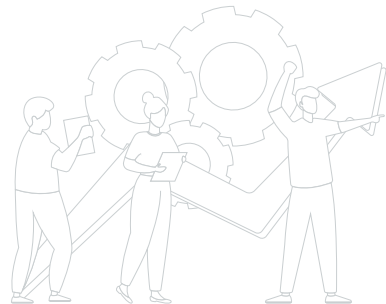
## Commitment to investing in human capital

Dong-A Socio Group believes that investment in human capital is essential for creating a competitive organization and directly links it to the long-term improvement of employee satisfaction and retention, along with the company's success. We place a strong emphasis on strategically managing workforce costs, including salaries, employee benefits, and outsourcing expenses. Salaries encompass basic pay, performance bonuses, and overtime pay, while benefits include health insurance, pensions and severance pay, paid vacations, and tuition assistance for college students. Outsourcing expenses refers to external services such as consulting, IT personnel on-site, and facilities management.

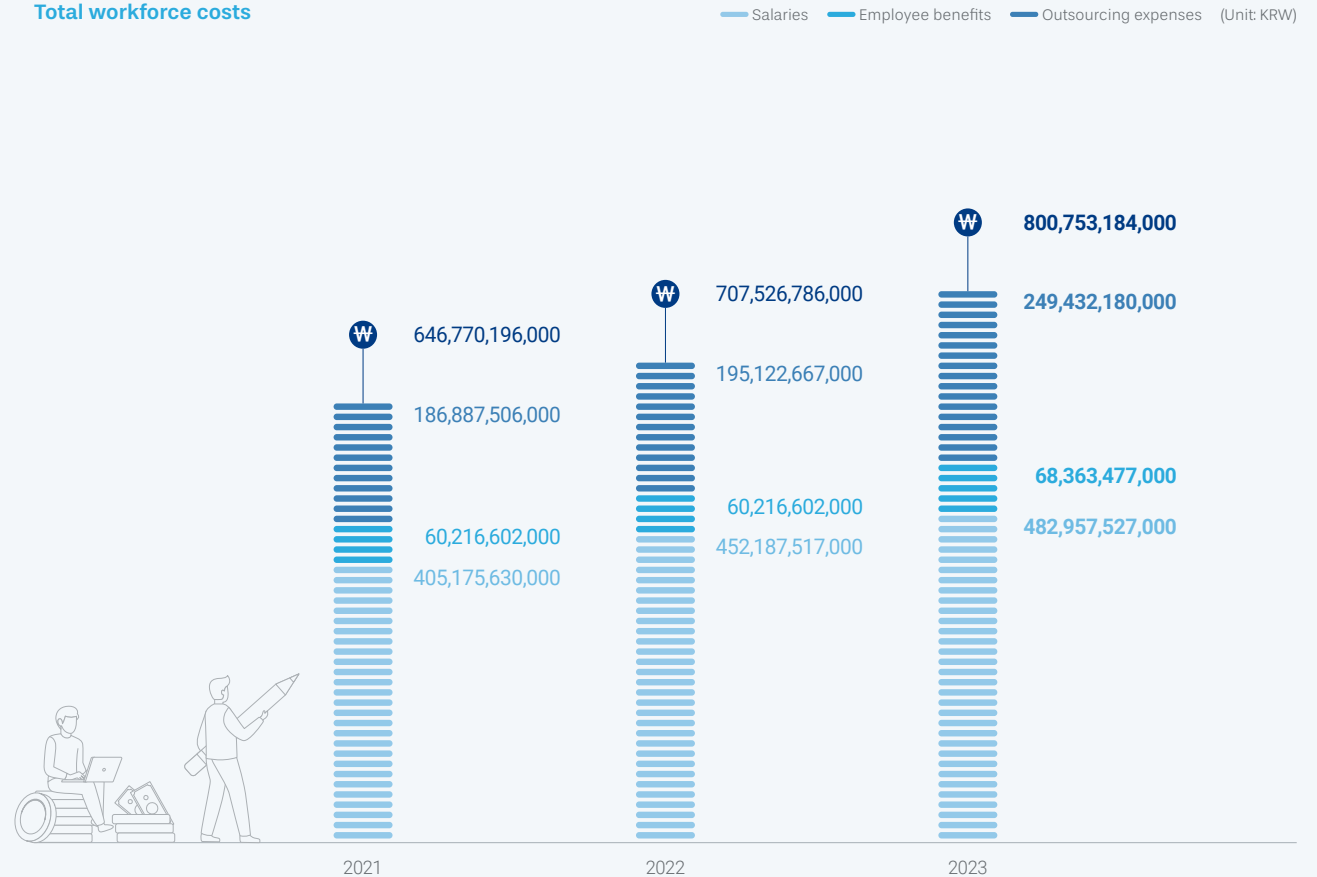
### Salaries and employee benefits

**Increasing and Managing Salaries and Benefits** Dong-A Socio Group continuously strives to provide better salaries and benefits to its employees. Although there was a slight reduction in the number of staff between 2020 and 2021, the total salaries and employee benefits increased by 12% during the same period. From 2020 to 2023, the number of employees increased by an average of about 4%, while the rate of increase in salaries and employee benefits averaged about 10%.

Through these efforts, Dong-A Socio Group enhances the life stability and satisfaction of its employees, thus strengthening organizational competitiveness and achieving sustainable growth.



### Total workforce costs



Category	2021	2022	2023
Salaries	405,175,630,000	452,187,517,000	482,957,527,000
Employee benefits	54,707,060,000	60,216,602,000	68,363,477,000
Outsourcing expenses	186,887,506,000	186,887,506,000	249,432,180,000
<b>Total</b>	<b>646,770,196,000</b>	<b>707,526,786,000</b>	<b>800,753,184,000</b>

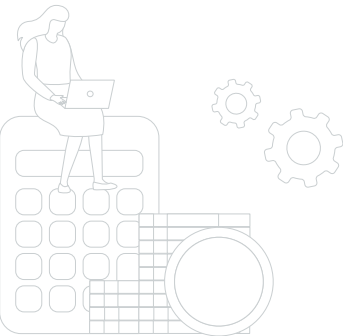


# Investment in human capital and enhancement of value

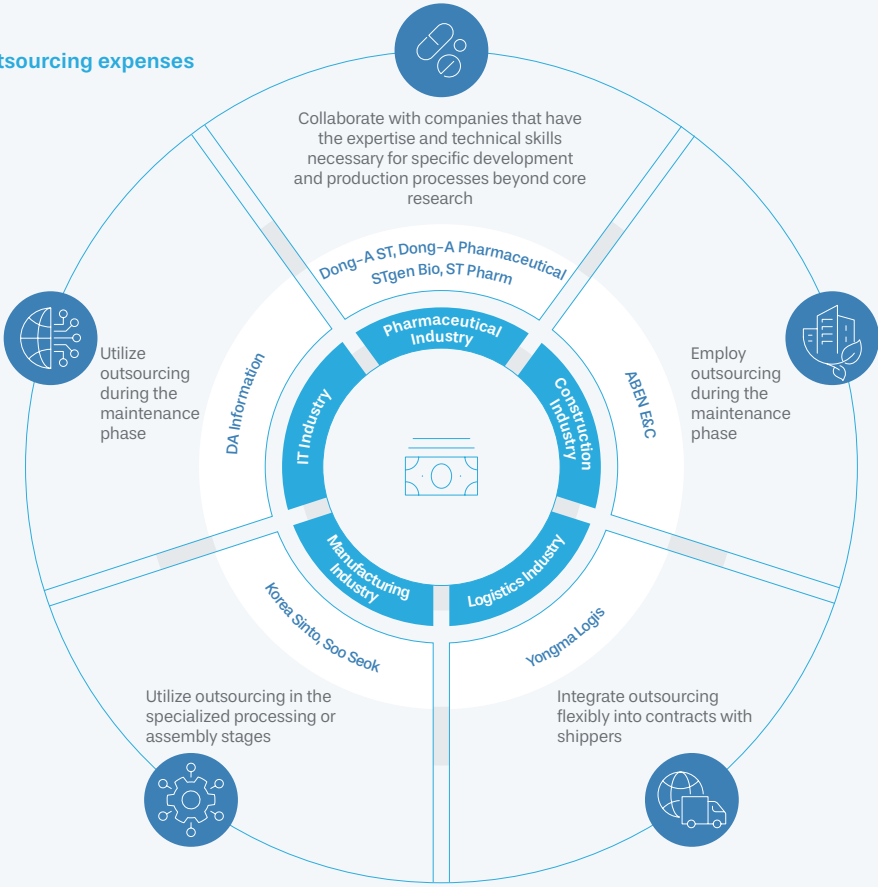
## Outsourcing expenses

Dong-A Socio Group effectively manages outsourcing based on industry characteristics and business circumstances.

In the pharmaceutical industry, outsourcing is used in some development and production processes in addition to core research, as pharmaceutical companies aim to collaborate with highly skilled and specialized firms. The construction sector primarily engages in outsourcing on a project basis, while the logistics sector integrates outsourcing into its contracts with shippers in a flexible manner. In manufacturing, outsourcing is employed during the specialized processing or assembly stages, especially in operations that require specific equipment. In the IT industry, outsourcing is primarily used to ensure efficient operations during the maintenance phase.



Major details of outsourcing expenses



Ratio of outsourcing costs to total workforce costs

Ratio	Group affiliates
Over 50%	DA Information, ABEN E&C, Yongma Logis
30% to 50%	Dong-A Pharmaceutical, Korea Sinto
10% to 30%	Soo Seok, STgen Bio, Dong-A Socio Holdings
Less than 10%	Dong-A ST, Dong-A Otsuka, Dong-A CHAMMED, DONGCHEONSU, ST Pharm

\* Based on 2023 data

# Investment in human capital and enhancement of value

## Sustainable value creation

### Human Capital Return on Investment

Human Capital Return on Investment (HCROI) measures the return on investment in human resources for a given period.

Dong-A Socio Group discloses its HCROI values over three years for Dong-A Socio Holdings, which manages assets and dividends, and for other Group affiliates that operate individual businesses. This distinction highlights the differing characteristics between the holding company, which generates revenue through asset management and dividends, and the operating companies, which manage various costs in routine business operations.

In 2023, Dong-A Socio Holdings sustained a relatively high level of HCROI at 3.99, while the average for the Group affiliates ranged between 1.1 and 1.3. Specifically, Dong-A Pharmaceutical and ST Pharm have demonstrated a consistent upward trend since 2021. In particular, ST Pharm's figures have risen from 1.10 in 2021 to 1.33 in 2022 and to 1.69 in 2023.

Dong-A Socio Group will continue to invest in and enhance the efficiency of its human capital with the aim of strengthening its organizational competitiveness and improving productivity.

$$\text{HCROI} = \frac{\text{Total revenue} - \text{Total costs} + \text{Total workforce costs}}{\text{Total workforce costs}}$$

\* Due to the nature of human capital, the timing of investments and performance does not necessarily align, so we are in the process of developing various additional metrics alongside the existing ones.

### Revenue per employee

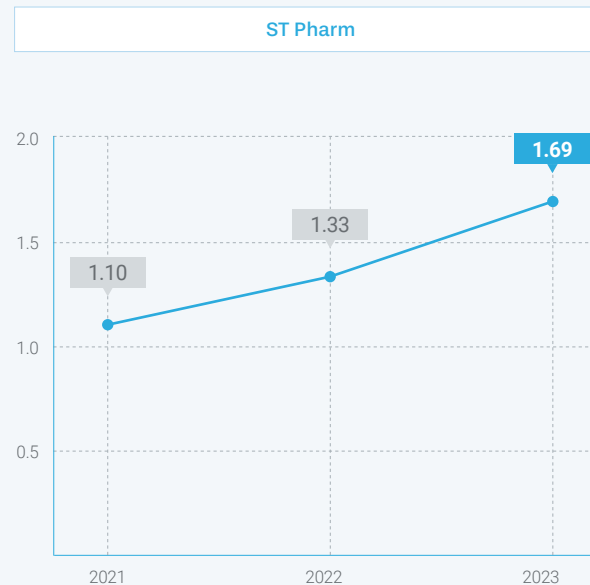
Category	2021	2022	2023
Revenue/Person	393,789,000	429,424,000	437,871,000

\* Scope: 13 Group affiliates

### Human Capital Return on Investment

Category	2021	2022	2023
Dong-A Socio Holdings (Holding company business)	3.84	3.66	3.99
Average of the Group affiliates	1.28	1.11	1.28

### HCROI trend



# Strict risk management system and compliance management

## Legal compliance and strict risk management policies

### Compliance system

On behalf of the Dong-A Socio Group, the audit, accounting and finance, and sustainability departments of Dong-A Socio Holdings assume responsibility for ensuring compliance and play the relevant roles. They regularly assess risks through enterprise-wide risk management, the internal accounting management system, and the anti-bribery management system.

As of 2023, all 13 Group affiliates had implemented the ABMS, with four companies (30%) obtaining the ISO 37001 certification from global certifying bodies. Additionally, in the accounting and finance sector, an internal accounting management system has been implemented to verify and manage on a regular basis the reliability of the financial information prepared and reported by the company.

Through the systematic governance and risk management systems, Dong-A Socio Group ensures corporate transparency and reliability in its pursuit of sustainable management.



Operational organization

System

### Management Organization and Systems

Internal Audit Office

Management Support Department

Jeong-Do Management Department

Enterprise risk management

Internal accounting management

Anti-bribery management system

Adoption of the enterprise risk management system



Adoption of the internal accounting management system



2023

2024

2025

Dong-A Socio Holdings

DA Information, Soo Seok, DONGCHEONSU, ABEN Engineering & Construction, Korea Sinto, Dong-A Otsuka, Yongma Logis

Dong-A CHAMMED

Dong-A Socio Holdings, Soo Seok, DA Information, STgen Bio, Dong-A Otsuka

ABEN Engineering & Construction, Yongma Logis, DONGCHEONSU, Korea Sinto

# Strict risk management system and compliance management

## HR issue identification and improvement procedures

Dong-A Socio Group operates anonymous reporting channels for misconduct, such as corruption and fraud, power harassment of subordinates by people in positions of superiority, workplace bullying, scandals related to hiring and appointments, and other types of unethical behavior. In 2023, all 89 cases reported or investigated were processed according to the procedures of the Human Respect Committee and the HR Committee.

The Group prioritizes the issue resolution over simply counting reports, striving to identify unaddressed organizational problems through various channels as quickly as possible. Each affiliate has appointed a grievance counselor, and to further ensure that employees can confidently report issues, an anonymous reporting system operated by a third party, called the "Helpline K-Whistle," has been established.

Each Group affiliate operates a Human Rights Violation Remedy Committee, which assesses whether to provide remedies for victims of human rights abuses and requests action to be taken by the CEO. Particularly in cases of human rights abuses, we swiftly resolve issues based on objective facts and a "zero tolerance" policy.

### Compliance system

Category	Category	Cases received and (actions taken) in 2022	Cases received and (actions taken) in 2023
Corruption and fraud	Acts of solicitation, accepting of gifts or entertainment, improper budgetary execution, unfair trading practices, internal information leakages.	6 (6)	8 (8)
Power harassment and workplace bullying (including sexual harassment, violence)	Acts such as giving unfair orders by abusing one's superior position, or causing mental and physical pressure, stress and anxiety	12 (12)	17 (17)
Recruitment and appointment malpractices	All acts which violate the principle of fairness in recruitment and appointments	7 (7)	6 (6)
Other unethical behaviors	Violations not classified under any of the above categories	27 (26)	58 (58)
<b>Total</b>		<b>52 (51)</b>	<b>89 (89)</b>

\* Cases received through the Grievance Counseling Center and actions taken (all 13 Group affiliates, Sources: Cyber Audit Office Clean:D, Helpline K-Whistle)

\* Scope: 13 Dong-A Socio Group affiliates

### Actions taken against cases received through the Grievance Counseling Center

100 %  
2023

98 %  
2022



# Strict risk management system and compliance management

## High level of ethical awareness and culture of compliance

### Management of employee compliance & ethics training

Dong-A Socio Group is committed to minimizing compliance risks by educating its employees on adhering to laws and regulations. Furthermore, we aim to monitor and enhance the rate of participation in ethics training as a key indicator of the organization's transparency and reliability.

Dong-A Socio Group has established and operates various training systems designed to enhance employees' compliance with the regulations and raise their ethical awareness, spearheaded by a management policy centered on "Jeong-Do" management. Beyond risk management, this foundational corporate culture is anticipated to positively influence employee behavior and extend to their relationships with customers, shareholders, and society at large.

Moving forward, we will expand the ethics training program, provide customized compliance and ethics education for different positions and departments, evaluate the effectiveness of training, and maintain continuous communication so as to reinforce ethical standards within the organization. In doing so, we will do our utmost to embed these practices deeply into our core culture, rather than merely establishing them as formal procedures.

### Compliance & Ethics training

General online/offline training	In-house CP training	Jeong-Do management training	Mandatory legal training
Integrity training related to the Anti-Corruption & Civil Rights Commission and basic ethical management training	In-house CP training per job category	Anti-bribery management system (ABMS) training	Sexual harassment prevention, disability awareness improvement, etc.

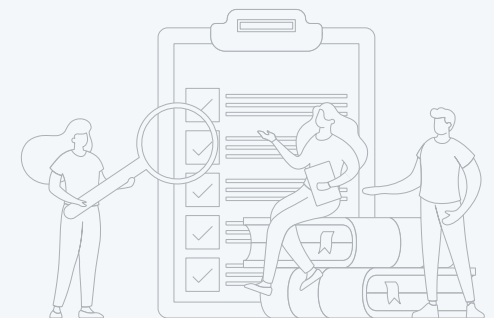
### Completion rate for compliance and ethics training

98.6%



\* Scope: 13 Dong-A Socio Group affiliates

\* The percentage reflects employees who completed at least one course under the "compliance & ethics training" category, with any additional courses taken counted as separate entries.



# Third-party Assurance Statement

## To the Management and Stakeholders of Dong-A Socio Group

### FOREWORD

Human Capital Management Institute, LLC (hereinafter referred to as the "Verifier") has been requested by Dong-A Socio Group to conduct an independent verification of their compliance with the ISO 30414:2018 – Guidelines for Internal and External Human Capital Reporting. The Verifier has reviewed the data prepared and presented by Dong-A Socio Group according to the aforementioned guidelines and provided an independent verification opinion. All claims and performance included in this report are the responsibility of Dong-A Socio Group.

### INDEPENDENCE

As an independent verification body, the Verifier has no relationships or interests that could undermine or affect its independence in relation to the third-party verification of this report. The Verifier does not engage in any activities related to Dong-A Socio Group's business operations that could compromise its impartiality.

### VERIFICATION GUIDELINES

ISO 30414:2018 – Guidelines for Internal and External Human Capital Reporting

### SCOPE AND METHODOLOGY OF VERIFICATION

The independent auditor conducted a conformity assessment audit in accordance with the ISO 30414 human capital reporting guidelines on the data, statements, systems, and strategies related to human capital reporting for the three fiscal years of 2021, 2022, and 2023 across 13 companies of Dong-A Socio Group. Additionally, the audit reviewed the 23 different mandatory indicators and additional optional indicators, encompassing 10 areas of human capital. The verification methods included interviews with internal stakeholders related to the indicators, assessment of human capital data content, guidelines and systems evaluation, assessment of statements clarifying strategies and internal guidelines, and evaluation of external and internal reports for each ISO 30414 indicator.

### LIMITATIONS OF VERIFICATION

The verification was conducted based on the assumption that the data and information provided by Dong-A Socio Group are complete and sufficient. The verification was carried out within a limited scope using data inquiry, analysis, and a restricted form of sampling.

### VERIFICATION OPINION

Congratulations to Dong-A Socio Group for being the first in Korea to obtain ISO 30414 third-party verification.

As of April 2024, the statements, systems, and strategies referenced by Dong-A Socio Group are adequately reflected in the major audit areas, confirming compliance with ISO 30414 and the performance of human capital reporting. ISO 30414:2018 – Guidelines for Internal and External Human Capital Reporting is the most rigorous and comprehensive human resources reporting standard globally, encompassing 11 human resource areas (10 mandatory and 1 optional), nearly 60 indicators, and 23 indicators for public disclosure.

Dong-A Socio Group has met this standard by appropriately disclosing the ISO 30414 indicators in its integrated Korean and English report as well as in a separate human resources report. This standard verification demonstrates transparency, comparability, reliability, maturity, and accountability in human resource practices. Compliance with ISO 30414 enables enhanced transparency, reputation and trust building, improved decision-making, risk management, and benchmarking for clear comparisons. From a risk management perspective, this verification allows investors and rating agencies to better identify, assess, evaluate, and track human capital from a risk and sustainable intangible asset standpoint, potentially enhancing stock value and credit ratings.

### Third-party assurance agency



April 26, 2024

Human Capital Management Institute LLC  
Founder and CEO

Jeff Higgins





# Appendix

This report discloses the following HR data in accordance with the ISO 30414:2018 Standard guidelines.

No.	Category	Human capital metrics	ISO 30414 recommendations	Page
1	Compliance & ethics	Number and type of grievance filed	Public disclosure in large organizations recommended	p. 58
2	Compliance & ethics	Number and type of concluded disciplinary action	Public disclosure in large organizations recommended	p. 58
3	Compliance & ethics	Percentage of employees who have completed training on compliance and ethics	Public disclosure in large organizations recommended	p. 59
4	Costs	Total workforce costs	Public disclosure in large organizations recommended	p. 54, 55
5	Diversity	Workforce diversity with respect to: Age	Public disclosure in large organizations recommended	p. 40, 42
6	Diversity	Workforce diversity with respect to: Gender	Public disclosure in large organizations recommended	p. 41, 43
7	Diversity	Workforce diversity with respect to: Disability	Public disclosure in large organizations recommended	p. 43
8	Diversity	Workforce diversity with respect to: Other indicators of diversity	Public disclosure in large organizations recommended	p. 43
9	Diversity	Workforce diversity with respect to: Diversity of leadership team	Public disclosure in large organizations recommended	p. 43
10	Leadership	Leadership trust	Public disclosure in large organizations recommended	p. 41, 45
11	Organizational health, safety and well-being	Lost time for injury	Public disclosure in large organizations recommended	p. 41, 49
12	Organizational health, safety and well-being	Number of occupational accidents	Public disclosure in large organizations recommended	p. 49
13	Organizational health, safety and well-being	Number of people killed during work	Public disclosure in large organizations recommended	p. 49
14	Productivity	EBIT/profit per employee	Public disclosure in large organizations recommended	p. 56
15	Productivity	Human capital ROI	Public disclosure in large organizations recommended	p. 41, 56
16	Recruitment, mobility and turnover	Turnover rate	Public disclosure in large organizations recommended	p. 40, 48
17	Skills and capabilities	Total developing and training costs	Public disclosure in large organizations recommended	p. 51
18	Skills and capabilities	Official average training hours per employee	Internal management in large organizations recommended	p. 41, 51
19	Workforce availability	Number of employees	Public disclosure in large organizations recommended	p. 40, 46
20	Workforce availability	Full-time equivalents	Public disclosure in large organizations recommended	p. 40, 46
21	Workforce availability	Part-time workforce	Internal management in large organizations recommended	p. 40, 46

# About This Report

## REPORTING STANDARDS

This report has been prepared in accordance with the ISO 30414:2018 International Standard: Human Resource Management – Guidelines for Internal and External Human Capital Reporting.

## REPORTING SCOPE

In this report, the term "Dong-A Socio Group" includes the major subsidiaries subject to consolidation under the Korean International Financial Reporting Standards (K-IFRS) of Dong-A Socio Holdings, as well as 12 major domestic Group affiliates that are actively engaged in business activities and relate to Dong-A Socio Holdings. For the disclosure metrics within the ISO 30414 guidelines, the reporting scope is based on the entire workforce of the 13 Group affiliates in principle. However, for certain topics, the disclosure scope is based on Dong-A Socio Holdings, Dong-A ST, Dong-A Pharmaceutical, and STgen Bio, which together account for more than 50% of the total Group workforce. In this case, related information is specified at the bottom of the report results.

For data disclosed independently, aside from the aforementioned details, disclosure was based on certain group companies regardless of their proportion to the total workforce. In such cases, a detailed scope was indicated separately, and the names of the group companies were specified.

## REPORTING BOUNDARY

The geographical boundary is South Korea, where over 99% of the sales are generated. The temporal boundary is from January 1, 2023, to December 31, 2023 (with some data including the first half of 2024).

## SOURCE DATA

All data in this report is based on the data from the Dong-A Socio Group Integrated Report "GAMASOT," developed according to international reporting standards; the internal HRIS (Human Resources Information System); DART, the electronic disclosure system of the Financial Supervisory Service of Korea; and other structured and unstructured data within HR that have undergone internal verification.

### Other Reference

- Korea Law Information Center (2023). Certification standards for family-friendly companies, etc.
- Jerónimo et al. (2021). "Being inclusive boosts impact of diversity practices on employee engagement", Management Research, Emerald Insight, ISSN: 1536-5433
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- McKinsey & Company (2021). "The Future of Work: Reskilling and Upskilling Strategies". Published 2022.





**DONG-A SOCIO GROUP**



Paper used in printing the Dong-A Socio Group 2023 Happiness Management Report is an environment-friendly product. In addition, this report was printed with soy ink.