ESG REPORT 2022/23

CELLTRION

Contents

ABOUT THIS REPORT

REPORTING OVERVIEW In 2022, Celltrion publicly announced its intent to implement ESG and report its ESG performance. Accordingly, this is the first Celltrion ESG report for 2022/2023. Each year, Celltrion will disclose its ESG activities and performance across all areas of its business operations transparently through its ESG Report, and seek to actively communicate with stakeholders.

REPORTING PERIOD AND SCOPE This report covers the period from January 1, 2022, to December 31, 2022, and describes Celltrion's financial and non-financial activities and performance. Certain important events from the first half of 2023 are also included in this report. The financial data presented in the report includes the performance of subsidiaries based on consolidated K-IFRS, and the non-financial performance related to the environment and society is based on Celltrion's separate standards. Unless stated otherwise, the reporting scope of non-financial performance is limited to Celltrion's business sites in Korea (Plants 1 and 2, IBS Tower, and Seoul office).

REPORTING STANDARDS This report was prepared in accordance with the GRI (Global Reporting Initiative) Standards, which are internationally recognized standards for sustainability reporting. The report incorporates various indexes of SASB (Sustainability Accounting Standards Board), TCFD (Task Force on Climate-related Financial Disclosures), U.N. SDGs (U.N. Sustainable Development Goals), and others.

REPORTING ASSURANCE To ensure reliability of data, and credibility of this report, an independent third-party agency British Standards Institution (BSI) verified the contents. The Independent Assurance Statement is provided in the APPENDIX.

INQUIRIES If you have further inquiries or require additional information regarding this report, please contact us using the contact information provided below.

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COVER STORY

The evening view of the Celltrion Global R&D Center, set to open in 2023, symbolizes the company's commitment to advancing human health through unwavering dedication to R&D.

INTERACTIVE PDF GUIDE

This report has been published as an interactive PDF with features such as page navigation, links to related web pages, and pop-ups.

- Contents page
- See more details
- Move to related pages

First Mover

The Beginning of a Great Journey

When everyone said it was impossible, we saw possibility.
It was the beginning of a great journey in the barren field of biotech industry.

BIOSIMILARS

Unlimited Challenge

Ceaseless Pursuit of Challenge

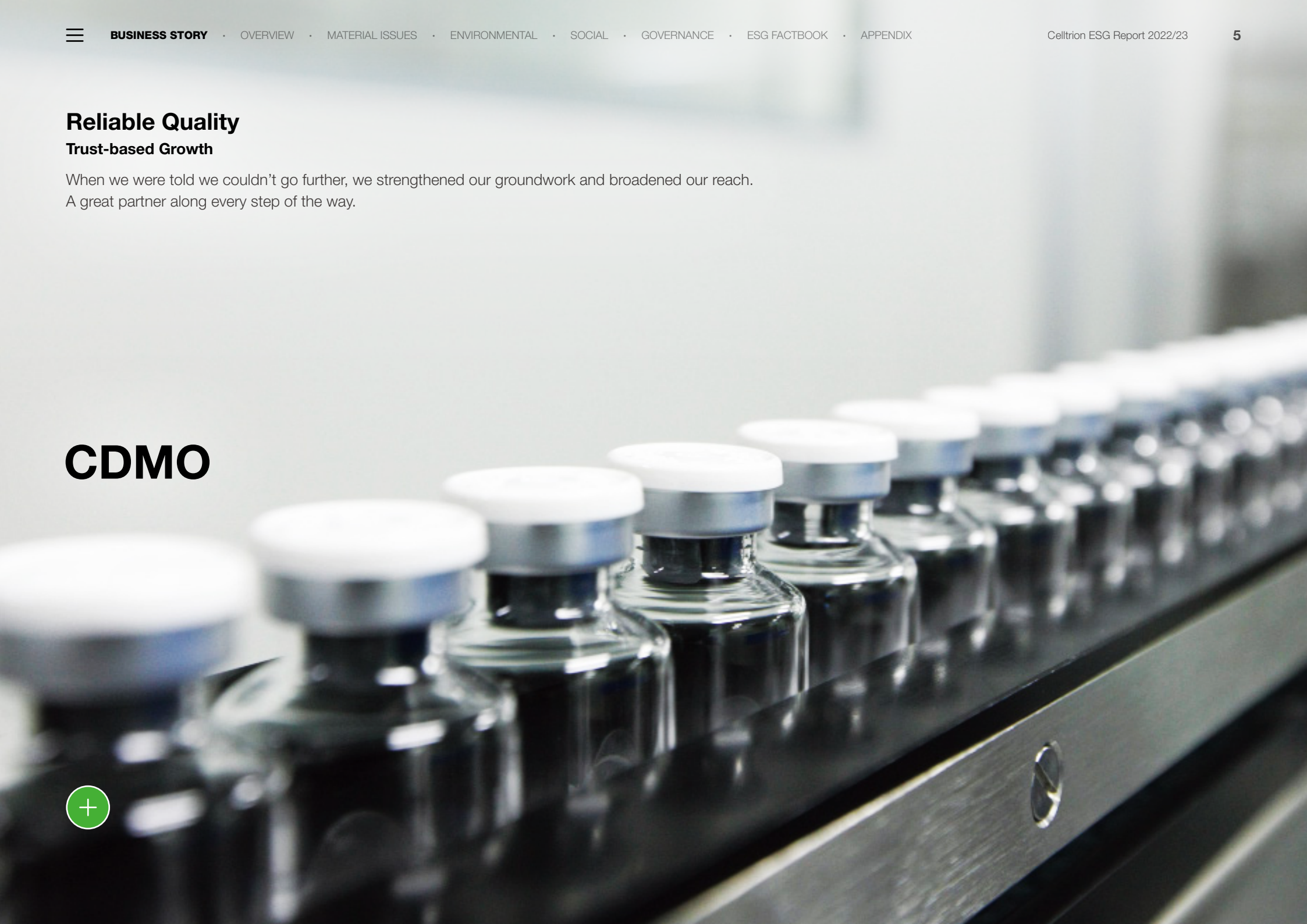
When others said we had already made great achievements, we dreamed of even bigger goals. We are taking a bold stride towards greater innovation.

NOVEL THERAPEUTICS

Reliable Quality

Trust-based Growth

When we were told we couldn't go further, we strengthened our groundwork and broadened our reach.
A great partner along every step of the way.

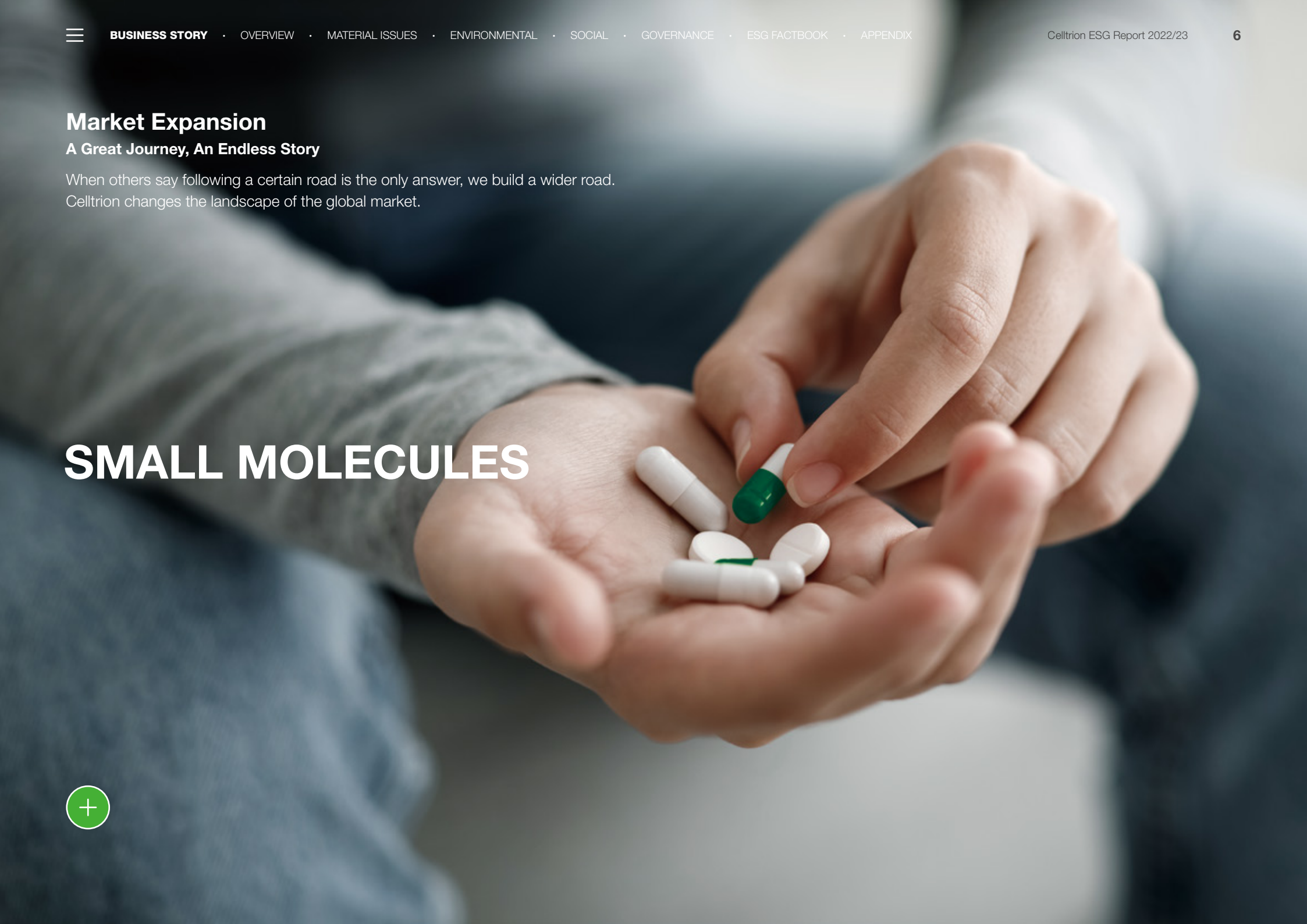


CDMO

Market Expansion

A Great Journey, An Endless Story

When others say following a certain road is the only answer, we build a wider road.
Celltrion changes the landscape of the global market.



OVERVIEW

EXPAND SUSTAINABLE VALUE

We aspire to grow as a company that fulfills its social responsibilities and establishes a foundation for sustainable growth.

CEO's Message

Dear Stakeholders,

I sincerely thank all stakeholders who have shown great interest and support for Celltrion, a company that strives to create a bright future for the biotech industry in Korea and pursue the happiness of humanity.

Amid the growing importance of ESG management, Celltrion has initiated efforts to establish and implement an ESG system in earnest, designating 2022 as the first year of its ESG management. We aim to provide sustainable healthcare services to enhance human health and welfare. To achieve this vision, the Corporate Sustainability Division and an ESG Management Team under the division were created in April 2022. To actively promote ESG management, we also established the ESG Committee under the Board of Directors (BoD). The ESG Committee consists entirely of independent directors to ensure independence and transparency in management. Furthermore, various ESG policies related to biodiversity and BoD diversity and expertise have been established, laying down institutional foundations to achieve mid to long-term ESG management objectives.

In addition, Celltrion has been maintaining a global level management system by obtaining five international certifications in the following order: ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System), ISO 37001 (Anti-Bribery Management System), and ISO 22301 (Business Continuity Management System) since 2020. In order to fulfill its responsibilities toward the environment and society, Celltrion has expanded its CSR activities through Celltrion Welfare Foundation, an affiliated organization, and through its own sharing programs, environmental management services, and charity activities. As part of the internalization of ESG management, Celltrion has identified major improvement tasks through an ESG-level diagnosis. Celltrion will continue upgrading its ESG management by checking the implementation and performance of improvement tasks in each ESG area.

The future ESG management strategy can be summarized as follows: First, we will participate in domestic and overseas activities to respond to climate change in line with the Korean government's 2050 Carbon Neutral Strategy. Celltrion declared its support for the Task Force on Climate-related Financial Disclosures (TCFD), a financial disclosure consultation body, in January 2023 and will continue participation in the joint task of solving environmental issues. Second, internally, we will create a cooperative labor-management by building a sound working environment based on a healthy organizational culture and human rights management. Externally, we will form ESG partnerships with international organizations and partners to realize the value of win-win cooperation for sustainable management. Third, a transparent governance structure will be established to enhance Celltrion's continuous growth and stakeholder value.

Celltrion will continue its challenging journey to consolidate its position as a global top-tier biopharmaceutical company. We will consider social and environmental impacts first and continue communicating with stakeholders through ESG reports and various channels. We ask for your generous encouragement and interest in Celltrion's ongoing journey seeking greater heights.

Woosung Kee CEO

About the Company

Our Way

Celltrion's Story

Contribution to the Nation Through Business

The epic story of Celltrion began with a small and obscure area of knowledge called biosimilars. Chairman Jungjin Seo, the founder of Celltrion, conceived a new vision for a business, based on the firm conviction that fostering new industries can contribute to the development of the country.

At the time, Korea was a "barren land" in the pharmaceutical industry, and biotechnology was not even recognized as an industry in Korea. However, Chairman Seo realized that major biopharmaceuticals' patents would expire one by one soon. Here, he saw the indefinite potential for the biosimilars business. So, he began laying the foundations for creating a new legend by building a state-of-the-art biopharmaceutical production plant in the Songdo International City, Incheon, to meet the pharmaceutical production requirements set by the regulatory agencies of advanced countries.

Continued Growth

In the global biopharmaceutical market exceeding KRW 200 trillion, Korea's share was close to zero, and there was hardly any awareness of biopharmaceuticals in Korea. For these reasons it was impossible to develop biopharmaceutical technology in the country. Therefore, for Celltrion to establish global competitiveness in the field of biotechnology, we recognized that acquiring advanced technology should be the priority. Celltrion decided to acquire advanced technology and accumulate expertise through its Contract Manufacturing Organization (CMO) business, after securing production facilities. Traditional pharmaceutical powerhouses, such as the U.S., Germany, Switzerland, and Sweden, had mass cultivation facilities for biopharmaceutical production. Celltrion built a factory with top-tier production facilities in Songdo International City, Incheon, and signed a CMO contract with the global pharmaceutical company BMS. With this, Korea gradually overcame the high entry barriers of global biotechnology.

Celltrion's product quality control principles and trust priorities earned the company the first FDA approval of an Asian facility in December 2007. This was an official demonstration of Celltrion's top-tier technological capabilities, production facilities, and quality systems. Celltrion secured momentum for continued growth by satisfying the US FDA's strict cGMP (current Good Manufacturing Practice) requirements. Through continuous investment in research and development, Celltrion accomplished its goal of developing its own biosimilar called 'Remsima[1)]'. Remsima received unanimous approval from the European Medicines Agency (EMA) in August 2013. This signaled the beginning of the biosimilar market worldwide.

1) The Worlds's First Antibody Biosimilar

Win-win Management

Celltrion has overcome crises and grown into a global integrated pharmaceutical company representing Korea, with the help of its employees, shareholders, and society. Reciprocating their trust, Celltrion established Celltrion Welfare Foundation in 2006 to give back to society. Under the slogan "realizing welfare through awareness, empathy, and sharing," the Foundation supports the underprivileged, mainly in the Incheon and Chungcheongbuk-do areas, where Celltrion's business sites are located.

Vision

Celltrion aims to establish itself as a global integrated pharmaceutical company that realizes the value of promoting human health and welfare by developing next-generation biopharmaceuticals and small molecules.

Antibody biopharmaceuticals have fewer side effects and better efficacy compared to small molecules. However, many patients do not have equal access to treatment at present due to the high prices of antibody pharmaceuticals. The biosimilars developed and sold by Celltrion provide the same therapeutic effects as original medicines but at lower prices, thereby providing more patients with opportunities for treatment. The antibody biosimilars initiated by Celltrion offer new hope for patients worldwide. Celltrion will stay committed to developing and distributing the medicines necessary for humanity to lead healthy lives.

Core Values

CREATIVITY

PROBLEM-SOLVING THROUGH CREATIVE IDEAS

Celltrion solves problems with new ideas by creative thinking or thinking outside the box. Their adventure of developing biosimilars took an unconventional approach. Contrary to biotech companies' typical business process of developing, producing, and selling new medicines, Celltrion acquired production facilities first and developed products through CMO partnerships to learn advanced technologies. The global clinical trial conducted in 2010 was a notable case where Celltrion employees demonstrated their creativity. Due to low national and corporate awareness in the biotech industry, Celltrion faced difficulties in recruiting patients and obtaining regulatory approval for clinical trials. Celltrion overcame these challenges by establishing a global clinical trial task force team and developing innovative clinical trial strategies, such as conducting phases 1 and 3 clinical trials simultaneously and pursuing clinical trials of an asymmetric concept.

COMPLIANCE WITH PRINCIPLES

PRIORITIZING FAITH AND TRUST

Celltrion values life and places emphasis on strict accountability. This is because even the slightest mistakes cannot be tolerated in the biopharmaceutical production process. Celltrion once faced a dilemma over profits. In 2007, it was identified that the biopharmaceutical production process could have been contaminated. Although product contamination and efficacy were not confirmed, we adhered to our principles and chose to dispose of the manufactured products, recognizing that even the slightest possibility of contamination cannot be tolerated. A significant loss followed, but we stood by our principles instead of seeking immediate profits, thereby winning customer trust. The decision also led to a flawless system for production and complete prevention of recurrence, laying the foundations for zero-contamination production.

THE SPIRIT OF SEEKING CHALLENGE

UNBEATABLE SPIRIT

It was a bold undertaking for a small Korean company with limited recognition to conduct global clinical trials and apply for product approvals. In the beginning, the global pharmaceutical industry had a cold stance towards Celltrion. Making the entry into the global pharmaceutical market, which had different healthcare and regulatory standards, was an adventurous endeavor. To counter physicians' prejudice against biosimilars, Celltrion employees traveled around the globe to meet doctors who offered their perspectives to regulatory agencies. They organized seminars and promoted the efficacy of Remsima. Finally, the barriers of physicians' prejudice were lowered. Celltrion's venture into the global market, which began with an audacious endeavor, has paved the way for relentless pursuit of new horizons.

THE PURSUIT TO BE THE WORLD'S BEST

LEADING THE GLOBAL MARKET WITH TOP-TIER EXPERTISE

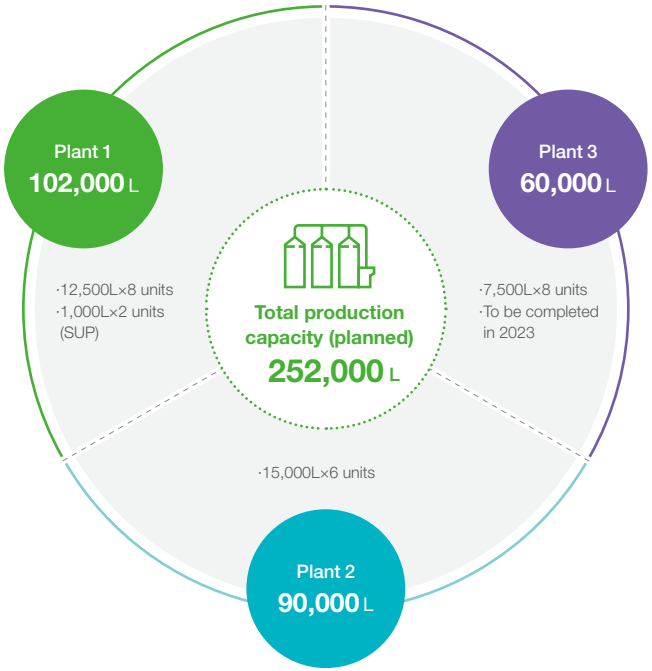
Only companies with top-tier technology survive in the biopharmaceutical industry. The first mover enjoys a great pre-emption effect and dominates the market. In this regard, Celltrion's core value for corporate competitiveness is to become the best in the global market. In December 2007, Celltrion acquired certificaiton by the U.S. FDA for its large-scale animal cell culture facilities. It was the first such case in Asia and Celltrion grabbed global attention. Celltrion demonstrated its expertise and competitiveness through quality audits and regulatory agency approvals. This is why we have earned high praise from major industry representatives, who have said, "You are the best we have ever seen."

Business Strategy

Securing Production Infrastructure

Celltrion has secured its production capacity by utilizing in-house manufacturing facilities – Plant 1 (102,000L) and Plant 2 (90,000L) that can produce drug substances (DS) and drug products (DP) – and overseas CMO companies.

Meanwhile, as global demand for antibody medicines is expected to grow, we are constructing Plant 3 with a capacity of 60,000L to establish a multi-variety production and supply system.



Production Plants

- Plant 1: U.S. FDA approval for Asia's first animal cell culture facility
- Plant 2: Capable of managing the entire production process from manufacturing DS to final injection packaging
- Plant 3: Facilities with minimum change-over and multi-variety production

Reinforcing Competitiveness through R&D

In order to reinforce R&D capabilities, Celltrion invested approximately 20% of its annual revenue in R&D to expand the biosimilar pipeline and develop new antibody drugs.

Celltrion's Biopharmaceutical R&D Center is developing next-generation medicines based on research capabilities and technologies accumulated across all phases related to bio-industry, including exploration of drug candidates, development and expression of cell lines through genetic recombination, and equivalence assessment for product approval.

The Celltrion Global R&D Center, scheduled to open in 2023, will be a comprehensive pharmaceutical R&D hub, taking Celltrion's R&D capabilities to the next level.

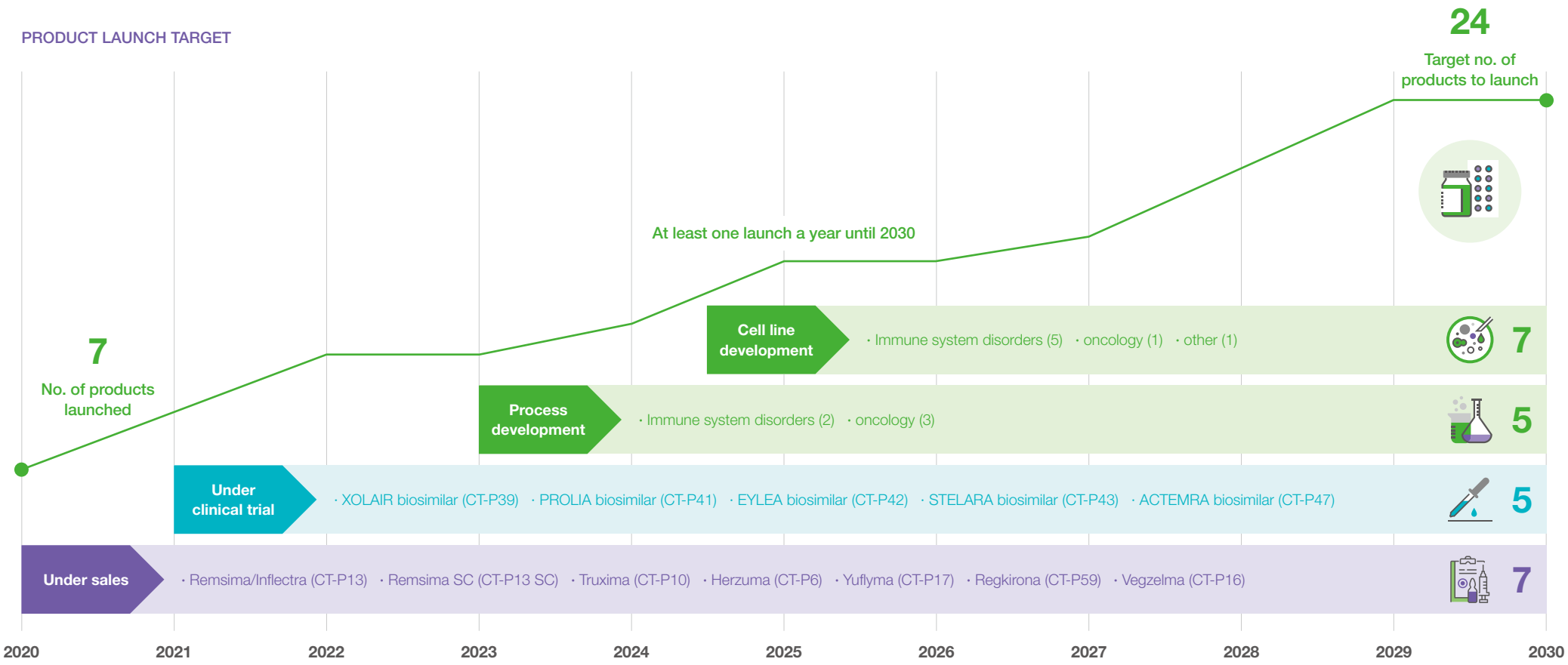
Research Areas

- Biosimilars (Anti-cancer/immunotherapy/targeted therapy)
- New biological drugs (New antibody drugs/convergence technologies /ADCs/biospecific antibody)
- Value-added small molecules (Platform technology-based new drug development/expansion of the brand portfolio targeting major diseases/responding to unmet medical needs)

Product Development

Celltrion has made remarkable achievements by pioneering a new industry called “antibody biosimilars,” for the first time in the world, in the “barren land” of the pharmaceutical industry.
Celltrion plans to launch at least one follow-on biosimilar every year by 2030.
Celltrion will continue making active investments while leveraging synergies in capacities for development, production, and distribution of new antibody drugs and small molecules as well as antibody biosimilars that have high growth potential. With this, we will pave a new way in the global pharmaceutical market.

PRODUCT LAUNCH TARGET



Company Profile

Introduction

Celltrion is a global integrated pharmaceutical company in Korea conducting R&D and production of antibody biopharmaceuticals and small molecules.

Celltrion has set a new paradigm in the global biopharmaceutical market by successfully developing the world's first antibody biosimilar, and has been providing advanced treatment options for a healthy and happy life by the rapid development of treatments during the global COVID-19 pandemic.

Celltrion has achieved remarkable results by pioneering paths not taken by others and will continue to grow as a global pharmaceutical company with differentiated business strategies such as small molecules, development of new drugs, and digital healthcare platform business.

Celltrion will pursue growth to become a global integrated pharmaceutical company while making ceaseless efforts to realize the value of human health and welfare.

Company	Celltrion, Inc.
Date of establishment	February 26, 2002
No. of employees	2,263 (As of the end of December 2022)
Type of business	Manufacturing of pharmaceutical compounds and antibiotics
Address	23 Academy-ro, Yeonsu-gu, Incheon

History

Beginnings 2002

The dawn of legendary boldness and creativity

Jungjin Seo, the company chairman, first founded Nexol in 2000 to examine diverse business opportunities. Seo established Celltrion in 2002 and began to research the resources necessary for biopharmaceuticals production facilities.

- **Oct. 2001**
  Signed a MOU for the creation of a joint venture company
- **Feb. 2002**
  Founded Celltrion

Groundwork 2008

Consolidating the Basis for Growth

From 2003 to 2008, Celltrion consolidated its basis for pioneering uncharted territories and achieving continual growth. The company conquered the numerous challenges it encountered in the process.

- **Jun. 2005**
  Supply agreement with BMS (Bristol-Myers Squibb)
- **Jul. 2005**
  Mechanical completion of Plant 1
- **Dec. 2007**
  Plant 1 obtained cGMP facility approval by the US FDA
- **Aug. 2008**
  Listed on KOSDAQ

Expansion 2014

Opening the era of biosimilars

The world's first antibody biosimilar, Remsima, was approved by the EMA in August 2013, signaling the start of Celltrion's global expansion. The company established its second plant, further augmenting its production capacity, to ensure stable supply around the world.

- **May 2010**
  Secured investment from Temasek Holdings, Singapore
- **Oct. 2011**
  Construction of Plant 2 was completed
- **Jul. 2012**
  Remsima approved in Korea (MFDS)
- **Aug. 2013**
  Remsima approved in Europe (EMA)
- **Jan. 2014**
  Herzuma approved in Korea (MFDS)

Consolidation 2022

Securing a Path of Accelerated Growth

In 2016, Celltrion also obtained the FDA's approval for the distribution of Remsima in the United States, thereby securing access to the land of new opportunities. Celltrion is also developing new therapeutics and new technologies, including antibody medicines and biobetters, and is evolving into a global integrated pharmaceutical company.

- **Mar. 2015**
  Introduced a new management system with professional executives
- **Jun. 2015**
  Plant 1 and Plant 2 received approval from the U.S. (FDA) on all cGMP manufacturing facilities
- **Apr. 2016**
  Remsima approved in the U.S. (FDA)
- **Oct. 2016**
  Achieved KRW 1 trillion in cumulative export of Remsima
- **Nov. 2016**
  Truxima approved in Korea (MFDS)
- **Feb. 2017**
  Truxima approved in Europe (EMA)
- **Feb. 2018**
  Listed on KOSPI
  Herzuma approved in Europe (EMA)
- **Nov. 2018**
  Temixys approved in the U.S. (FDA)
  Truxima approved in the U.S. (FDA)
- **Dec. 2018**
  Herzuma approved in the U.S. (FDA)
  Designated as a long-term supplier for HIV international procurement program
- **Jan. 2019**
  Filed global patent application for Remsima SC
- **Apr. 2019**
  Linezolid approved in the U.S. (FDA)
- **Nov. 2019**
  Remsima SC approved in Europe (EMA)
- **Feb. 2020**
  Achieved KRW 1 trillion of annual revenue
  Remsima SC approved in Korea (MFDS)
- **Jun. 2020**
  Acquired Primary Care product assets for Asia Pacific markets from Takeda Ltd.
- **Aug. 2020**
  Herzuma earned WHO Prequalification status
- **Feb. 2021**
  Yuflyma approved in Europe (EMA)
- **Sep. 2021**
  Regkirona approved in Korea (MFDS)
- **Nov. 2021**
  Regkirona approved in Europe (EMA)
- **Aug. 2022**
  Vegzelma approved in Europe (EMA)
- **Sep. 2022**
  Vegzelma approved in the U.S. (FDA)
- **May. 2023**
  Yuflyma approved in the U.S. (FDA)

Global Partnership

Celltrion has created an ecosystem for collaboration with partners in various fields to achieve bigger and more meaningful outcomes for the biopharmaceutical industry.

Through collaborative partnerships, Celltrion is strengthening its competitiveness in the global market and securing a sustainable growth engine.

CMO

Lonza

Teva

R&D

Iksuda Therapeutics

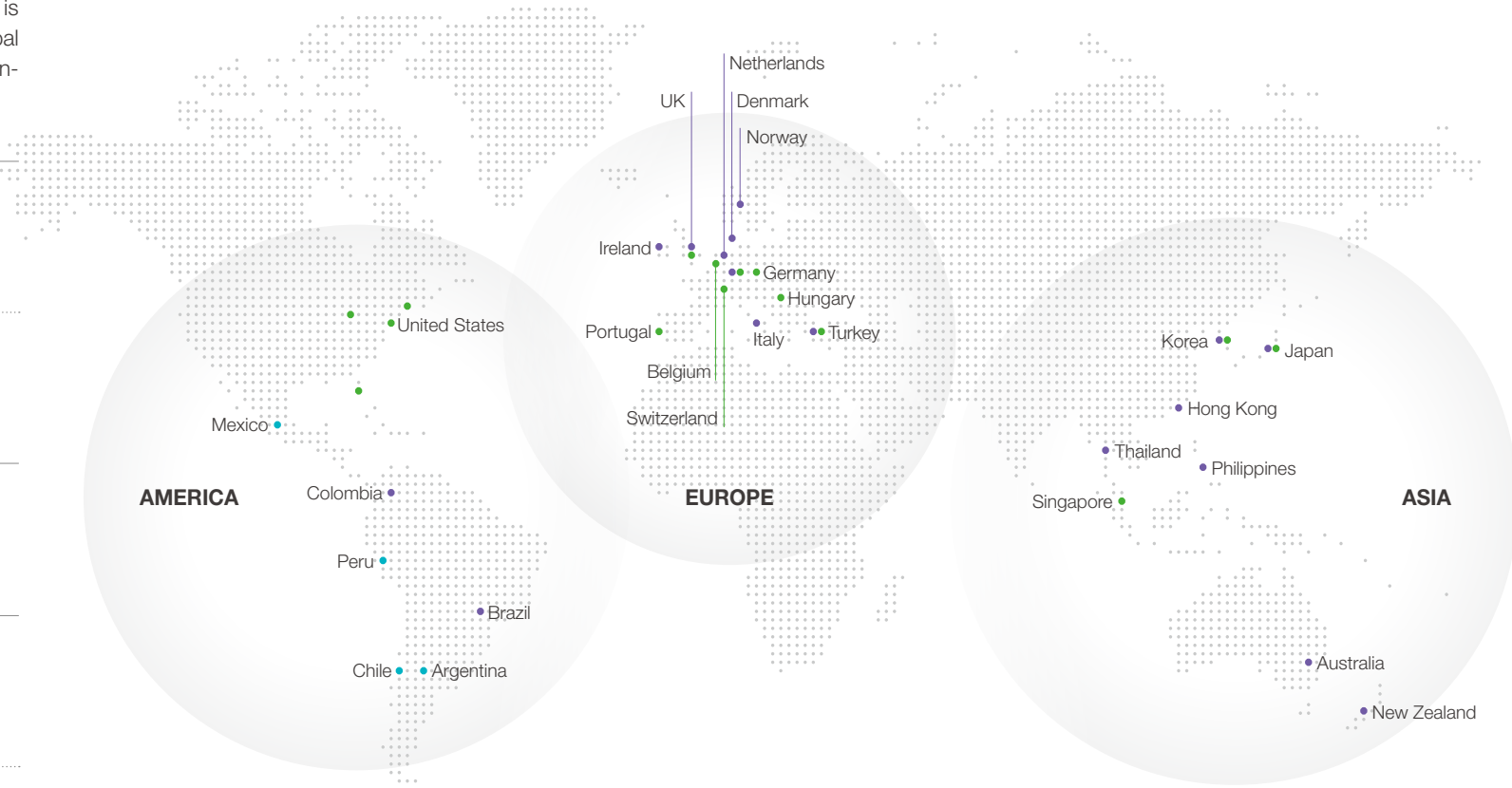
Venture Fund

Mirae Asset Capital

KDB Bank

Global Network

Celltrion has established direct distribution networks[1] in more than 90 countries, including Japan, Australia, United Kingdom and Germany, in addition to the U.S. and Canada, two of the world's largest markets for pharmaceuticals.
Celltrion leverages its global network and partnerships to gain access to markets in each country and increase the cost competitiveness of its products.



1) It is about Celltrion Healthcare, which is in charge of the global distribution and sales of Celltrion's biopharmaceuticals.

Business Overview

Business Areas

Biosimilars

First Mover
Developed and produced the world's first antibody biosimilar.

11
Number of biosimilars
(6 commercialized/5 under clinical trials)

60.6%
Remsima's share in the European market
(As of the end of December 2022)

Celltrion is developing antibody biosimilars that are equivalent in efficacy to more expensive biopharmaceuticals, but available at a lower cost so that more people can benefit from affordable treatment. Proven to be equivalent in quality, efficacy, and safety to the original drug, biosimilars can replace expensive biopharmaceuticals, provide access to treatment for patients at a reasonable cost, and save healthcare costs, thereby improving the efficiency of medical welfare.
Celltrion is currently developing more antibody biosimilars following the commercialization of six antibody biosimilars, including Remsima, the world's first antibody biosimilar for the treatment of autoimmune diseases; Herzuma for the treatment of breast cancer; and Truxima for the treatment of blood cancers.

Novel Therapeutics

New Drug Formulation
Developed the world's first subcutaneous formulation of biosimilar infliximab, Remsima SC.

ADC, Double Antibody Technology
This is a next generation therapeutic technology. We are currently developing anti-cancer ADC biobetters through joint research with global pharmaceutical companies.

Microbiome
Developed Live Bacterial Products (LBP)

Through a change in formulation, Celltrion successfully developed and commercialized the world's first subcutaneous formulation of biosimilar infliximab, Remsima SC. Remsima SC targets patients who are satisfied with the efficacy of Remsima's reference product infliximab but want or need a subcutaneous formulation, as well as patients taking the globally reputed biopharmaceuticals Humira and Enbrel, which are TNF-α inhibitors in the SC formulation, but are experiencing lack of effectiveness or side effects.

Antibody-drug conjugate technology is a next-generation therapeutic method that combines antibodies that target cancer cells selectively with anticancer drugs to eliminate cancer cells more effectively. Celltrion is working with global pharmaceutical companies to develop ADC biobetters for multiple tumor targets, including breast cancer.

CDMO (Contract Development and Manufacturing Organization)

One-stop Process
One-stop process from contract development to contract manufacturing.

U.S. FDA cGMP Certified
Top-tier manufacturing facilities and quality management systems

Know-how and Advanced Technologies
Abundant clinical and regulatory experience and advanced production facilities

Celltrion develops and produces high-quality pharmaceutical products that meet our partners' needs based on top-tier production facilities and specialized workforces. The CDMO business is about developing a partner's drug candidate by providing expertise in the processes of development, production, clinical operations, and approval and sharing development costs. With Celltrion's capabilities, partners can develop drug candidates rapidly and Celltrion can secure priority rights to those candidates, enabling both companies to accomplish efficient growth.

Small Molecules

Open Innovation
Introduced/co-developed pipeline and platform technologies.
New drug (CT-G20), new formulation (Donepezil patch)

Primary Care Business in Asia
Expanded the brand portfolio for cardiovascular/metabolic diseases.

Core R&D Therapeutic Areas
Development of drugs in the various areas

With its Global Chemical Project (GCP), which expands Celltrion's portfolio and reinforces sales of small molecules, Celltrion aims to grow into a fully integrated pharmaceutical company by entering the small molecule sector that occupies two-thirds of the global pharmaceutical market. Starting with the HIV drug Temixys, the first incrementally modified new small molecule approved by the U.S. FDA in 2018, Celltrion acquired Takeda's originals (Actos, Nesina, Edarbi, etc.) and 18 OTC products for the Asia-Pacific region (9 countries) in 2020. Based on the world's first approval of Donepezil patch formulation by the Ministry of Food and Drug Safety in 2021, we supply small molecules in various disease areas such as the circulatory system, endocrine system, nervous system, and oncology/immunology to domestic and overseas markets.

Business Performance

Financial Performance

Despite the economic uncertainty and the subsequent deterioration in economic situations worldwide, Celltrion achieved KRW 2.3 trillion of revenue on a consolidated basis, which corresponds to approximately 21% increase year-on-year, on account of continued growth driven by the rapid growth of Remsima IV's share in the US market and launch of the new product Vegzelma. However, operating profit went down by approximately 13% year-on-year to KRW 647.2 billion due to changes in product mix and temporary costs related to diagnostic kits.

Summary of Consolidated Income Statement (Unit: KRW 100 million)

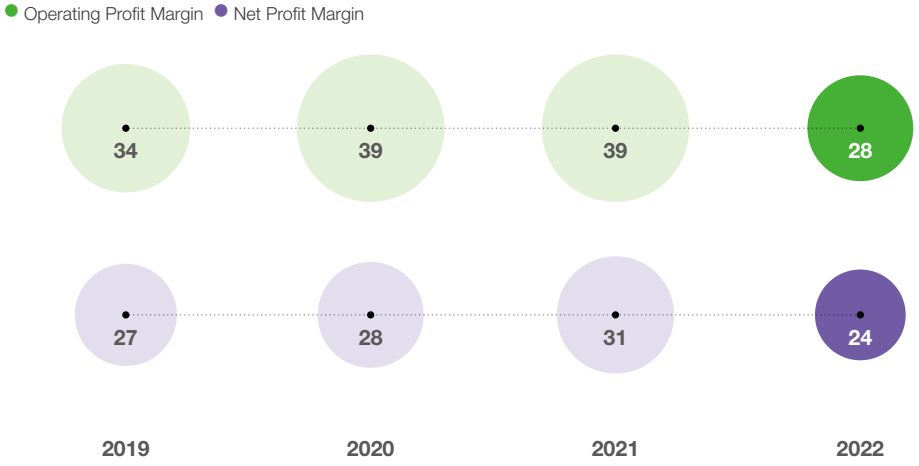
Category	2019	2020	2021	2022
Revenue	11,285	18,493	18,934	**22,840**
Cost of sales	(4,950)	(8,215)	(8,058)	**(12,513)**
Gross profits	6,335	10,279	10,876	**10,327**
Selling and administrative expenses	(2,520)	(3,055)	(3,434)	**(3,855)**
Operating profits	3,815	7,223	7,442	**6,472**
Profit for the year	3,010	5,178	5,795	**5,378**

※ Profit for the year in the consolidated profit & loss statement is attributable to controlling interest

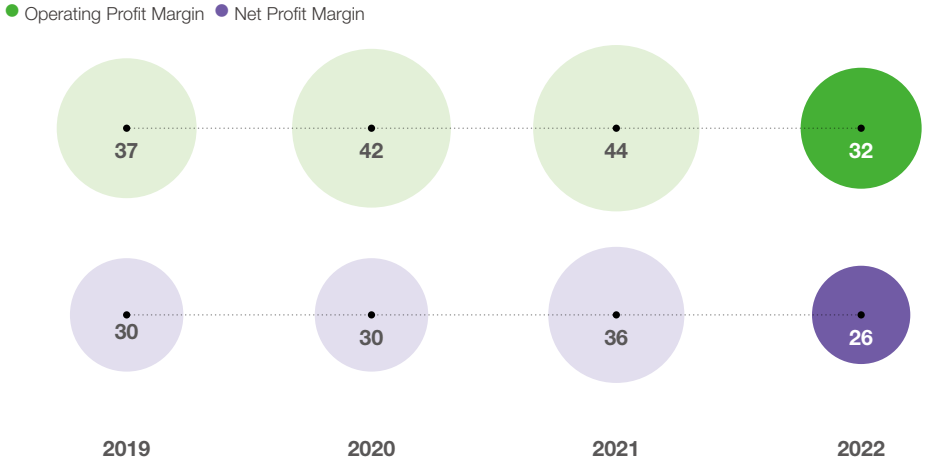
Summary of Non-consolidated Income Statement (Unit: KRW 100 million)

Category	2019	2020	2021	2022
Revenue	9,819	16,898	16,158	**19,375**
Cost of sales	(4,105)	(7,343)	(6,860)	**(10,521)**
Gross profits	5,714	9,555	9,299	**8,854**
Selling and administrative expenses	(2,080)	(2,457)	(2,127)	**(2,665)**
Operating profits	3,634	7,098	7,172	**6,189**
Profit for the year	2,898	5,143	5,760	**5,114**

Operating Profit Margin/Net Profit Margin (Unit: %)



Operating Profit Margin/Net Profit Margin (Unit: %)



ESG Management System

The Way Forward for ESG Management

ESG has emerged as a key driver of corporate management activities due to the strengthening of ESG regulations and the growing demand for ESG information from key stakeholders. In 2022, Celltrion officially announced its intent to implement ESG management. We also aim to realize the value of improving human health and welfare by providing sustainable healthcare services by means of an ESG management system.

ESG Strategy Framework

Vision	A global integrated pharmaceutical company that promotes health and welfare for all by developing next-generation biopharmaceuticals and small molecules		
Goals	Building a sustainable healthcare ecosystem based on ESG management		
Direction for Each Area	Environment Pursue green management for the future environment	Society Create social value through win-win cooperation	Governance Establish exemplary governance
Imple-mentation Tasks	· Set GHG reduction targets and declare Net Zero vision and roadmap · Join the TCFD[1] and make a public announcement · Build an environmental performance assessment system	· Strengthen human rights management · Conduct a survey and announce the management results for employee human rights and engagement · Advance CSR strategies	· Enhance the transparency and independence of the board of directors operation · Spread ethical management/culture · Manage ESG-related risks in the supply chain

1) Joined the TCFD in Jan. 2023

Mid/Long-Term Roadmap for ESG Management

2030

Consolidation of ESG Management
· Strengthen the monitoring of ESG management
· Advance ESG management and expand its scope

2025

Expansion of ESG Management
· Conduct ESG activities and respond to the demand for ESG information
· Achieve the milestones of ESG improvement tasks and manage performance

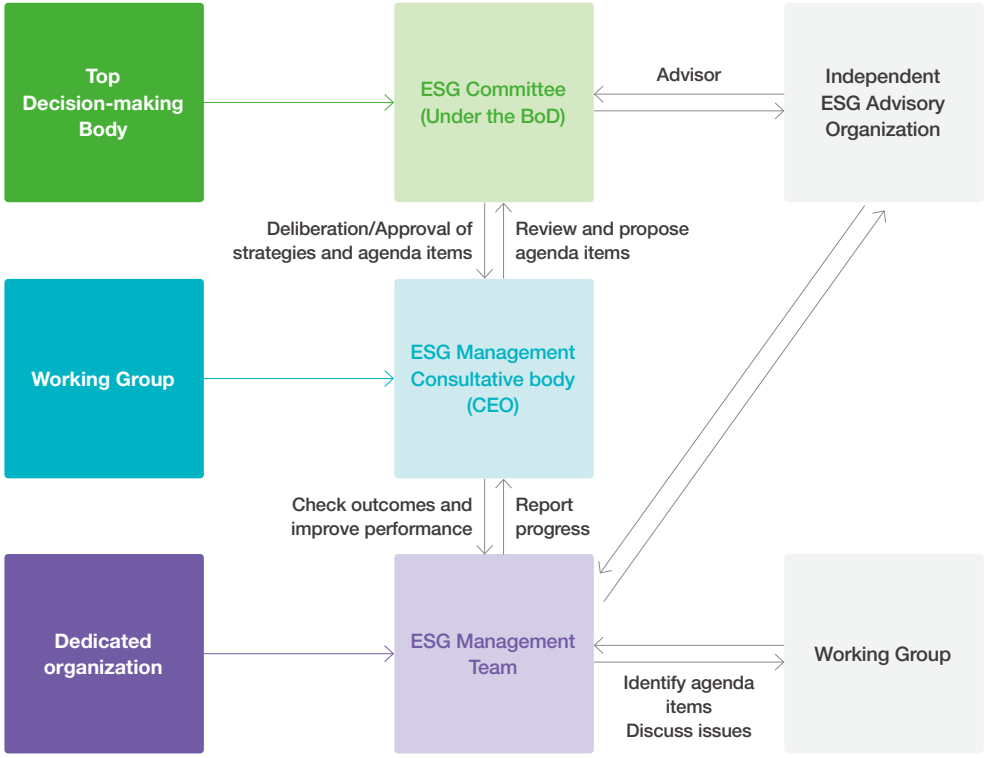
2022

Introduction of ESG Management
· Build an ESG governance system
· Identify major improvement tasks through ESG diagnosis (Set ESG goals and directions)

ESG Governance

As the first step toward promoting ESG management, Celltrion created the ESG Committee, the top decision-making body, in August 2022 to establish an ESG governance framework. Before establishing the ESG Committee, we launched the ESG Management Team, a dedicated working-level organization under the Corporate Sustainability Division, and a working group to establish an ESG management governance system. Celltrion will grow into a leader in ESG management by establishing sustainable management strategies and discussing the way forward for the overall ESG areas.

ESG Governance System



Major Achievements of ESG Performance

Established ESG Management System
- Established a dedicated ESG organization (April 2022)
- Established ESG Committee (August 2022)
- Set ESG Policies (November 2022)

Joined the TCFD (January 2023)

Certified with 5 ISO standards
- ISO 9001 (Quality Management Systems)
- ISO 14001 (Environmental Management Systems)
- ISO 45001 (Occupational Health and Safety Management Systems)
- ISO 37001 (Anti-Bribery Management Systems)
- ISO 22301 (Business Continuity Management Systems)

Obtained Grade B in the comprehensive evaluation conducted by Korea Institute of Corporate Governance and Sustainability (KCGS)
(C in Environmental, B+ in Social management, B in Corporate governance)

2022/2023 Highlights

Designated as a Global Biotechnology Workforce Development Hub

- Provided field training as part of the Global Biotechnology Workforce Development Hub training
- The program was attended by 106 production staff members from 25 LIC/MICs as well as 32 Korean trainees

Win-win cooperation with biotech startups

- Jointly runs Shinhan Square Bridge Incheon Program with Shinhan Financial Group through a consortium
- Contributed to the identification and nurturing of startups by running an open innovation program in the bio healthcare sector

2022 Korea Youth Bio Academy

- Nurtured future biotechnology talents

Reduced more than 5% of air pollutants

Celltrion's Plant 2 reduced more than 5% of air pollutants through a voluntary agreement signed in January 2022 on reducing particulate matter. In return, the City of Incheon provided incentives to Celltrion Plant 2 from 2022 to 2023, allowing the Plant to reduce the frequency of self-measurement of pollutants.

Supported communities that have suffered damage

- Provided support for the Samcheok and Uljin areas that suffered damages due to wildfires
  Monetary and pharmaceutical support
- Donation to help residents recover from flooding
  KRW 600 million
- Donation to help residents recover from the wildfire
  KRW 538 million

Expanded core infrastructure

- Expanded biopharmaceutical production capacity (Plant 3 to be completed in 2023)
- Enhanced R&D capabilities (Celltrion Global R&D Center to be completed in 2023)

MATERIAL ISSUES

BE A PIONEER

With the pioneer spirit, Celltrion will realize ESG management in the bio market.

Stakeholders' Engagement

Celltrion pursues active communication with various stakeholders, such as customers, shareholders, investors, the central and local governments, etc. In order to strengthen stakeholder engagement, each functional department of our company has a channel for ongoing communication with stakeholders.
We strive to engage in sustainable communication with stakeholders by understanding their expectations and needs and reflecting them in the overall business activities.

Customers

Major Communication Channels
- Website, Customer Center
- Official social media channels (Company's blog, Instagram, YouTube, and Facebook pages)
- Global exhibition booths

Interests and Expectations
- Resolve customer complaints
- Identify abnormal cases or side effects of products, and improve quality
- Share the company's latest news
- Brand promotion and global partnering

Employees

Major Communication Channels
- Newsletters via the company Intranet
- Regular letters with the CEO's message
- Celltrion Labor-management Council
- ER Team, Corporate Culture Department
- Grievance Committee
- Tongnamu (communication) channel

Interest and Expectations
- Vitalize internal communication
- Establish a horizontal organizational culture
- Manage labor-management relations
- Create sound organizational culture
- Handle employees' grievances

Shareholders and Investors

Major Communication Channels
- AGMs
- Regular reports
- Investor relation (IR)
- Website
- ESG Report

Interests and Expectations
- Transparent information sharing
- Risk management

Local Communities

Major Communication Channels
- Official letters about the Celltrion Welfare Foundation's business (Distributed at government offices)
- Website

Interests and Expectations
- Support for the underprivileged classes
- Balanced development of local communities

Suppliers

Major Communication Channels
- Business review meetings (e.g. JSC, QBR, etc.)
- Online/offline issue management meetings
- Weekly technical meetings (Weekly video conference for the tech. department)

Interests and Expectations
- Win-win cooperation partnership
- Mutual and continued growth
- Compliance with fair trade principles
- Vitalize communications with suppliers

Central and Local Governments

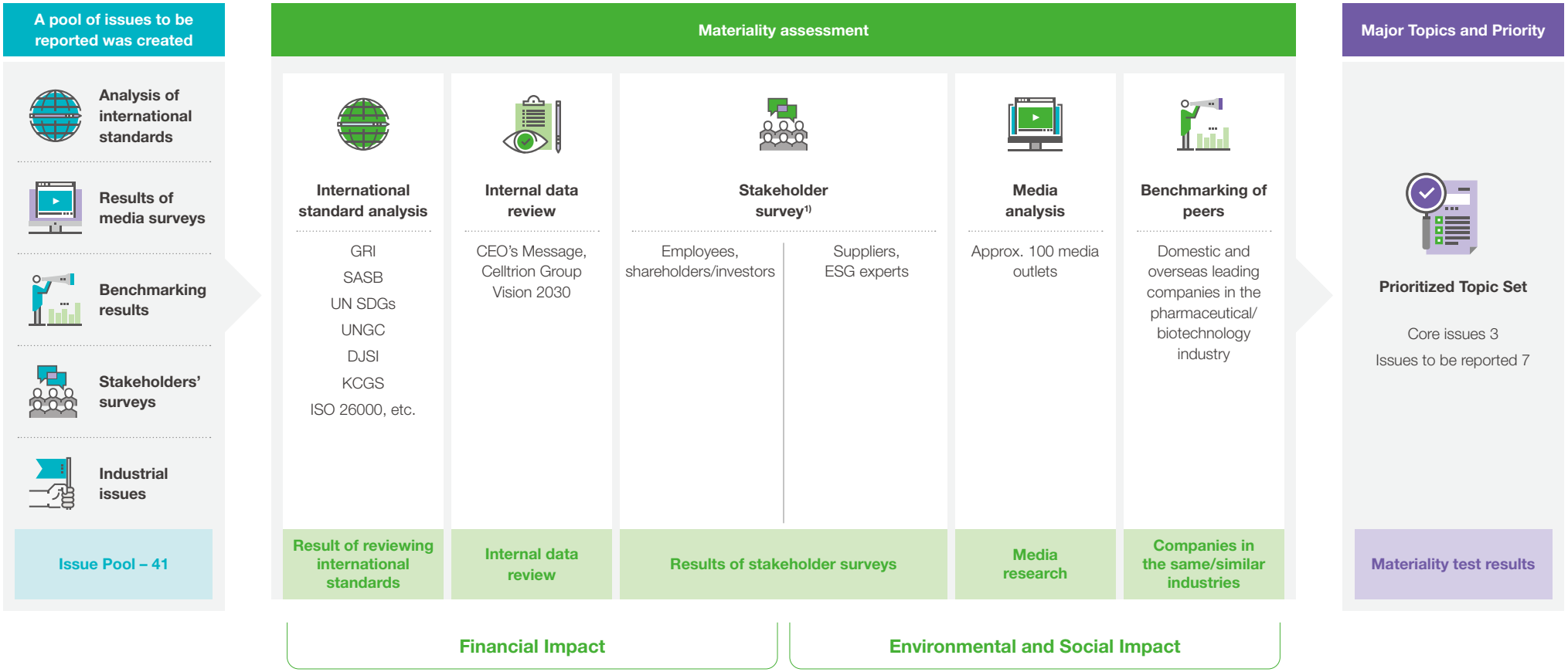
Major Communication Channels
- Regular reports
- ESG reports
- Emails for external cooperation
- Conference in the Incheon Free Economic Zone (IFEZ)

Interests and Expectations
- Complying with fair trade and anti-bribery principles
- Transparent sharing of corporate information
- Faithful tax payment
- Investment and employment status

Double Materiality Assessment

Celltrion conducted a double materiality assessment that considers the impact of the external environmental and social factors on the company's financial value as well as the impact of the company's business activities on environment and society. A total of 41 issues to be reported were prioritized in consideration of financial, environmental and social importance; following this, 3 core issues and 7 issues to be reported were identified.
Celltrion will conduct a materiality assessment annually and will maintain transparency in communicating with stakeholders.

Materiality Assessment Process



1) To be done in line with impact assessment by issue (Financial performance and reputation).
* The double materiality assessment and the ESG report were presented to the management in September 2022 for interim reporting, followed by reporting to the ESG Committee in May 2023.

Double Materiality Assessment

Materiality Assessment Metrics

Materiality Map

Result of Materiality Assessment

Material Topics

● High ◐ Medium ○ Low

No.	Category	Topics	impact: Financial	impact: Environmental and social	Report Page	Alignment with GRI topics
❶	Customers/ Products	Improving access to medicines	●	●	25-27	203-2
❷	Management/ Economy	Expanding the global market to create new growth engines	●	●	28-30	201-1
❸	Customers/ Products	Expanding R&D and production infrastructure	●	●	31-33	Non-GRI
❹	Management/ Economy	Reinforce global competitiveness	●	●	11	Non-GRI
❺	Customers/ Products	Reinforce the reliability and stability of products	◐	●	61-62	416-1
❻	Supply Chain	Establish and manage a sustainable supply chain	◐	◐	87-90	414-1, 414-2
❼	Supply Chain	Strengthen support for win-win cooperation with suppliers	◐	◐	87-90	308-2, 414-2
❽	Environment	Respond to climate change	◐	◐	38-40	305-1, 305-2
❾	Community	Reinforce social contribution and support activities	◐	◐	65-66	413-1
❿	Management/ Economy	Secure the soundness and transparency of governance	◐	◐	71-72	Non-GRI

ISSUES - 01

Improving Access to Medicines

IMPORTANCE

The demand for biopharmaceuticals continues to grow as population aging accelerates worldwide. However, biopharmaceuticals are very expensive owing to their enormous development costs, so medically underserved populations who cannot afford the high prices do not have access to treatment in many cases. Biosimilars have attracted much attention on account of their potential to address this healthcare inequity, as they can replace expensive biopharmaceuticals, providing patients with access to treatment, and reducing healthcare costs. In addition, there is a growing societal demand for equal access to medicines, so various measures to improve access are being explored globally.

APPROACH

Celltrion started developing biosimilars with the aim of providing more patients with access to treatment at more reasonable prices. Through our ceaseless efforts, we have successfully obtained approval for the new drug Regkirona and a total of six antibody biosimilars, including Remsima, the world's first antibody biosimilar for the treatment of autoimmune diseases, Herzuma for breast cancer treatment and Truxima for blood cancer treatment. Celltrion's biosimilars, which are currently available globally, have the same efficacy as expensive original drugs but are available at a lower cost, offering therapeutic benefits to more patients. In addition, we are exerting various efforts to improve access to medicines, including the joint construction of a digital healthcare ecosystem and development of treatments for COVID-19.

PERFORMANCE

Approved therapeutic antibodies
7

Therapeutic antibody pipelines
5

COVID-19 patients injected with Regkirona
52,000
(Korea)

No. of countries that approved Regkirona
36

* As of the end of December 2022

Access to Medicines Policy

Celltrion has established the Access to Medicines Policy to promote human health and welfare and support underserved patients who have difficulties in accessing medicines through the development of affordable next-generation medicines. The policy consists of the following basic principles: developing innovative products that facilitate access to medicines; participating in initiatives related to healthcare assistance in the least developed countries (LDCs); supporting local post-marketing monitoring of medicines; providing support to local manufacturers and healthcare workers; cooperating with local regulatory authorities; providing free medicines to underprivileged classes; and considering access to medicines when applying for patents in LDCs and low-income countries. To improve access to medicines substantially, we encourage all stakeholders in our business relationships, including the Celltrion headquarters, domestic and overseas corporations, and subsidiaries, as well as our suppliers, to comply with this policy.

Access to Medicines Policy →

Creating a Digital Healthcare Ecosystem

Digital healthcare aims to provide personalized medicine suitable for each patient's characteristics, from treatment to disease prevention, through the convergence of medical technology with IT technology. To implement such personalized medicine, various types of patient data are required, and it is also necessary to secure the technical skills to analyze the data. Celltrion aims to develop customized and data-based disease prevention and management solutions by building a healthcare data integration platform. Celltrion's digital healthcare business aims to develop a patient-centered medical ecosystem by utilizing not only medical information but also health information in combination with advanced ICT technologies and creating valuable new services through collaboration with various industries. Celltrion took part in the Governance Council of Klaytn, a blockchain platform, along with 'GroundX' from 2019 to October 2022, for a full-fledged digital healthcare business. We are also conducting joint research with a healthcare data analysis company in Finland to explore new business avenues related to digital healthcare using medical data from Finland. In addition, we developed and launched a remote patient monitoring solution for patients with inflammatory bowel disease through joint research with Gil Hospital in 2020. In the future, Celltrion will lead the efforts to build a digital healthcare ecosystem by gradually expanding its digital healthcare business.

Creating Social Value

When the outbreak of the pandemic in 2020 created an urgent need for COVID-19 treatment, Celltrion promptly initiated the development of novel antibody therapeutics, leveraging its years of expertise in development and capacity for production. We started development in February 2020, shortly after the WHO declared a public health emergency, and in about a year, we identified COVID-19 antibodies and sequentially produced results with nonclinical and clinical trials in phases 1, 2, and 3. This led to authorization for conditional marketing from the Ministry of Food and Drug Safety (MFDS) in February 2021, and emergency use recommendation by European Medicines Agency (EMA) in March 2021. Following the completion of Phase 3 clinical trial, we obtained full marketing authorization from the MFDS in September 2021 and the EMA in November 2021. As a result, the full-scale domestic supply of Regkirona Inj. was started in February 2021, and as of December 2022, we were able to administer the treatment to approximately 52,000 patients in Korea. We supplied the drug at a base rate without margins so that a large number of patients could receive the treatment, and the fast and effective treatment contributed significantly to reducing the occurrence of severe cases. As of December 2022, we obtained approval for Regkirona Inj., from a total of 36 countries, thus improving access to COVID-19 treatments globally.

1) Project ended in October 2022.

CASE

Development and Expanded Supply of Biosimilars

Celltrion has contributed to improving patients' access to medicines by developing superior biosimilars and making them available globally at lower costs than the original medicines. Celltrion's biosimilars include Remsima, the world's first antibody biosimilar, followed by Remsima SC, Yuflyma, and anticancer drugs such as Truxima, Herzuma, and Vegzelma. Remsima has been approved in 100 countries as of 2022, along with our other products approved in multiple countries, enabling us to provide treatment to more patients worldwide. In addition, we are continuously expanding our biosimilar pipeline. Our development areas include ophthalmology, allergy, and endocrinology in addition to immunology and oncology where we already obtained approval. We are in the final stage of Phase 3 clinical trials and are preparing to obtain approval for the following: XOLAIR biosimilar (CT-P39) for urticaria and asthma; EYLEA biosimilar (CT-P42) for wet-age-related macular degeneration and diabetic macular edema; STELARA biosimilar (CT-P43) for psoriasis and inflammatory bowel diseases; and PROLIA biosimilar (CT-P41) for postmenopausal osteoporosis.

Overview of Approval of Therapeutic Antibodies (As of the end of December 2022)

	Biosimilars						New Therapeutic Antibodies
	Herzuma	Truxima	Remsima	Remsima SC	Vegzelma	Yuflyma	Regkirona
Project	CT-P6	CT-P10	CT-P13	CT-P13 SC	CT-P16	CT-P17	CT-P59
Celltrion product	HERZUMA	TRUXIMA	REMSIMA	REMSIMA SC	VEGZELMA	YUFLYMA	REGKIRONA
Ingredients	Trastuzumab	Rituximab	Infliximab	Infliximab	Bevacizumab	Adalimumab	Regdanvimab
Indications	Breast cancer, gastric cancer	Non-Hodgkin's lymphoma, rheumatoid arthritis	Rheumatoid arthritis, inflammatory bowel disease	Rheumatoid arthritis, inflammatory bowel disease	Metastatic carcinoma of the colon or rectum, breast cancer, non-small cell lung cancer	Rheumatoid arthritis, inflammatory bowel disease	COVID-19
Areas of treatment	Oncology	Oncology, immunology	Immunology	Immunology	Oncology	Immunology	Infectious diseases
Date of first approval	January 15, 2014 (Korea)	July 16, 2015 (Korea)	July 20, 2012 (Korea)	November 22, 2019 (Europe)	August 18, 2022 (Europe)	February 11, 2021 (Europe)	February 5, 2021 (Korea)
Countries that approved the drug	US, Europe, Korea	US, Europe, Korea	US, Europe, Korea	Europe, Korea	US, Europe, Korea	Europe, Korea	Europe, Korea
No. of countries that approved the drug	94	87	100	48	34	41	36

* The above approval status is as of the end of December 2022. In May 2023, Yuflyma obtained the FDA's approval for eight indications, including Rheumatoid arthritis and Crohn's disease.

ISSUES - 02

Expanding the Global Market to Create New Growth Engines

IMPORTANCE

The biopharmaceutical industry has gained attention as a future growth industry that creates added value, and its global market size continues to grow. As a result, competition is intensifying among biopharmaceutical companies in each country to maintain a competitive edge in the growing global market. Only companies that are lead the race to develop new drugs can expect sustainable growth, so biopharmaceutical companies are reinforcing R&D capabilities and actively pursuing global partnerships through open innovation to secure technological competitiveness and thereby preempt the market. In addition, efforts are being made to expand the global supply chain to ensure stable supply and effective marketing of drugs.

CELLTRION's APPROACH

Celltrion explores domestic and overseas markets actively to realize its vision of becoming a global integrated pharmaceutical company. As part of its global market expansion strategy, Celltrion is creating new growth engines through new drug development, expansion of the supply chain, product innovation and new businesses. For new drug development, Celltrion is collaborating with partners in various areas through open innovation while reinforcing R&D capabilities. Celltrion is securing new markets through global M&As while expanding medicine supply networks and enhancing supply stability. Product value and customer satisfaction are also being improved through continuous innovation. Furthermore, Celltrion has made inroads into the digital healthcare market with the launch of a self-management solution for bowel diseases.

PERFORMANCE

Countries where Celltrion applied for a patent on Remsima SC

Approx. **130** countries

Remsima's European market share

60.6%

Countries where Celltrion established direct distribution networks

Approx. **90** countries

* As of the end of December 2022

Reinforcing Competencies for New Drug Development

Global Joint Development and Open Innovation

Celltrion has formed active networks with global biotechnology companies, universities, and research centers to co-develop new drugs while strengthening collaboration through active open innovation. In September 2022, Celltrion signed an agreement with Abpro Corporation, a US-based biotechnology company, to jointly develop and commercialize ABP102, a bispecific antibody-based anti-cancer drug candidate, and made an equity investment to form a long-term partnership. Celltrion also signed a joint research agreement with Pinotbio and other biotechnology companies in Korea, and is actively conducting research to internalize capabilities to develop Antibody-Drug Conjugates (ADC). In 2021, we invested USD 47 million in Iksuda Therapeutics, a UK-based ADC developer, along with Mirae Asset Financial Group and others to secure a major shareholder position.

Developing Microbiome Therapeutics

Since the world's first microbiome therapeutic was approved by the U.S. FDA, expectations for therapeutic effectiveness and future market growth have been growing. In this regard, Celltrion is developing microbiome-based Live Biotherapeutic Products (LBPs), prioritizing diseases with high unmet medical needs. We are working with KoBioLabs for R&D to develop treatments for irritable bowel syndrome and atopic dermatitis, and with LISCure Biosciences to develop treatments for Parkinson's disease, a degenerative neurological disease. Celltrion will continue expanding its new pipeline through open innovation in collaboration with biotech companies that possess strong technological capabilities.

Expanding Global Supply Network

Reinforcing the Global Sales Network

Celltrion has established direct distribution networks in more than 90 countries, including the United States and Canada, two of the world's largest pharmaceutical markets, as well as Japan, Australia, United Kingdom, and Germany. Based on internally secured networks and partnerships, Celltrion strives to secure access to more markets and stably supply medicines to patients around the world. Currently, antibody biosimilar products such as 'Remsima', 'Herzuma', 'Truxima', and 'Yuflyma' are sold in the global market after receiving approval in various countries, including the U.S., Europe, and Korea. In addition, we have also established a strong presence in the global small molecule market, supplying our first incrementally modified HIV drug, Temixys, and developing a generic product for Pfizer's COVID-19 drug, 'Paxlovid', which is undergoing prequalification by the WHO. In 2020, Celltrion successfully acquired Takeda Pharmaceutical's primary care products in the Asia-Pacific region through a M&A, securing the patents, trademarks, and sales rights for 18 prescription and over-the-counter drug brands. By adding the strong small molecule product line to its globally competitive biopharmaceutical product line, Celltrion has laid the foundations for becoming a global integrated pharmaceutical leader.

Enhanced Medicine Stability and Productivity

Stronger Stability in Medicine Supply

Celltrion is constantly checking and managing external factors to maintain stability in the supply of biopharmaceuticals and small molecules. In order to understand and address apparent impact factors, risk factors and impacts are identified and checked continuously. In response to Japan's export restrictions, Celltrion was able to manage impact effectively by checking lead times and availability of raw materials based on the previously established raw materials database. In addition, during the COVID-19 pandemic, damage to suppliers was checked constantly and flexible responses were mobilized in emergencies in collaboration with key partners such as raw material suppliers, Contract Manufacturing Organizations (CMOs), and Contract Research Organizations (CROs). Celltrion responds proactively to potential impact factors as well. Amid the growing importance of eco-friendly purchasing, Celltrion is engaged in discussions with our suppliers regarding the purchase of FSC-certified materials for the secondary packaging of biopharmaceuticals. In line with the rising demand for localized supply, Celltrion also joined a government-led initiative for 'strengthening the competitiveness of biomaterials, parts, and equipment,' contributing to the successful implementation of government policies.

Strengthening Productivity Through Process Innovation

Celltrion continues improving productivity per unit of time (Titer Improvement, TI) through introducing innovations in cell culture and purification processes for approved biosimilar products. Truxima TI (CT-P10 TI), a productivity improvement project for Truxima (CT-P10), was approved in Europe, and a variation approval was obtained in the U.S., in March 2023. Process development and validation for Herzuma TI and Remsima's second TI are underway. Following minimization of environmental impact through active process innovation efforts, Celltrion will be able to increase sustainability for the value of patient safety and life protection.

CASE

Active Product Innovation

Launch of Remsima SC, the World's First SC Formulation of Infliximab

Celltrion's leading next-generation product, 'Remsima SC', is a subcutaneous (SC) formulation of infliximab. Through obtaining the patent for Remsima SC, Celltrion will be able to secure exclusive rights to its formulation and administration method in over 130 countries. As a self-administered treatment, the product is expected to see gradual increase in its global market share based on its contributions to patients' access to treatment while improving patients' quality of life. Recently, Celltrion applied for FDA approval in an effort to enter the US market.

Completed application for a patent on Remsima SC, a subcutaneous formulation of infliximab.

Approximately 13 countries

Launch of Yuflyma, the world's first high-concentration biosimilar of Humira

Celltrion has received approval from the European Medicines Agency (EMA) for Yuflyma, the world's first high-concentration biosimilar for the autoimmune disease treatment Humira. This high-concentration product requires only half the dose of the existing low-concentration biosimilars and is free of citrate, which can cause pain. According to assessments, Inflammatory Bowel Disease (IBD) patients were satisfied with Yuflyma. It has also been well received by local healthcare providers, especially because its shelf life is twice that of the original drug Humira. Based on the high level of satisfaction reported by patients and medical staff, Celltrion expects to see a rapid increase in the global market share of the high-concentration Yuflyma.

ISSUES - 03

Expanding R&D and Production Infrastructure

IMPORTANCE

As economic depression continues worldwide following the global COVID-19 pandemic, the demand for affordable and highly efficient biosimilars remains high. In addition, an increasing number of countries are adopting favorable biosimilar policies and awareness of biosimilars is improving among doctors and patients, both factors contributing to the growth of the biosimilar industry. As a result, there is intensifying competition among pharmaceutical companies to develop new drugs and take an advantageous position in the market. In response to these market changes, global pharmaceutical companies are reinforcing R&D capabilities and expanding production facilities to strengthen their core competitiveness and secure future growth engines through proactive investments.

APPROACH

Celltrion is expanding its investment in core infrastructure, including R&D and production facilities, to continue sustainable growth by securing a strong competitive edge in the global market. As part of this, Celltrion is pursuing the construction of Global R&D Center and Plant 3 with a total investment of KRW 500 billion. The Celltrion Global R&D Center, with its state-of-the-art research facilities, will serve as the hub for developing next-generation drugs in various fields such as biopharmaceuticals and small molecules. In addition, the establishment of the new 60,000L Plant 3 is expected to enable a more stable supply of drugs. With the expansion of core infrastructure, Celltrion will have enhanced capacities to respond proactively to the rapidly growing global demand for biopharmaceuticals while further strengthening R&D and production capabilities.

PERFORMANCE

Ratio of R&D employees
32.1 %

R&D-to-revenue ratio
18%

Annual biopharmaceutical production capacity
252,000L
(scheduled for 2023)

Annual small molecule production capacity
5 billion tablets

* As of the end of December 2022

Expanding R&D Infrastructure

Opening of Celltrion Global R&D Center

As a leading integrated pharmaceutical company, Celltrion is investing approx. 20% of its annual revenue in R&D for new antibody drugs and expansion of the pipeline. To strengthen further R&D capabilities, we decided to build Celltrion Global R&D Center on our research institute site in Songdo International City, Incheon, where our headquarters is currently located. Approval for use of the Center was obtained in January 2023. Built on an area of 10,033㎡ with one basement floor and six ground floors, the Center can accommodate up to 2,000 researchers in the future.

It will facilitate efficient research across all pharmaceutical fields, from biopharmaceuticals to small molecules research, all in one location. With this, Celltrion will be able to continue research and development of not only biopharmaceuticals and small molecules, which are Celltrion's primary focus areas, but also ADCs, bispecific antibodies, platforms, and microbiomes, which are currently in the spotlight. Celltrion Global R&D Center, a new pharmaceutical R&D hub, will strengthen R&D capabilities further and consolidate its position as a total healthcare research institute.

Bird's-eye view of the Celltrion Global R&D Center

CASE

Expansion of Biopharmaceutical Production Infrastructure

Celltrion has secured a total biopharmaceutical production capacity of 270,000L per year by leveraging its own domestic production plants and overseas CMOs. The biopharmaceutical production plant in Songdo, Incheon, was the first in Asia to obtain the US FDA's cGMP certification for animal cell culture facilities. The plant can produce both drug substances and drug products. Plant 1 and Plant 2 have a production capacity of 102,000L and 90,000L, respectively. Plant 3, with a capacity of 60,000L, will be completed in 2023 with a multi-variety production and supply system. Plant 3 is constructed near Plant 2 over an area of 68,900㎡ with five above-ground floors. It will have the latest facilities, including 8 units of 7,500L incubators, to respond more flexibly to the demand for biopharmaceutical production. Once Plant 3 is completed, Celltrion will secure the capacity to produce a total 252,000L of biopharmaceuticals per year. We will continue expanding our production plants to meet the growing demand for biopharmaceuticals.

Total Production Capacity
252,000 L

Plant 1
- 12,500 L × 8 units
- 1,000 L × 2 units (SUP)

102,000 L

Plant 2
- 15,000L × 6 units

90,000 L

Plant 3 (scheduled)
- 7,500 L × 8 units
- To be completed in 2023

60,000 L

ENVIRON-MENTAL

MAKE THE PLANET GREENER

We spare no efforts in terms of investment and research to preserve the earth's environment for future generations.

ENVIRONMENTAL - 01

ENVIRONMENTAL MANAGEMENT

The climate crisis is a major challenge facing humankind and has already caused a wide range of impacts on every aspect of our lives.
Efforts for responsible management are required globally to minimize environmental impacts throughout a company's business operations.
Celltrion recognizes that preserving the earth's environment and complying with environmental laws and regulations are indispensable parts of corporate activities. We are exerting systematic efforts to respond to climate change at an enterprise level.

Environmental Management Policy

Environmental Safety and Health Policy

Celltrion is committed to ensure compliance with laws, regulations, and procedures related to environment, safety, and health and manage them at a level higher than legal requirements. We have established an Environmental Safety and Health (ESH) Policy to build trust with various stakeholders and ensure sustainable management by fulfilling our responsibility for environmental protection and conducting eco-friendly corporate activities.

Environmental Safety and Health Policy →

Basic Principles of Environmental Management

① Comply with domestic and international environmental laws and regulations and apply stringent internal management standards.
② Establish and operate an environmental management system in accordance with international standards.
③ Strive to improve the environment continuously.
④ Assess the potential for enhancing the efficiency of the environmental management system on a regular basis.
⑤ Disclose the principles and performance of environmental management practices to internal and external stakeholders of the company to raise their awareness.
⑥ Provide regular environmental training programs to employees and key suppliers so that they can understand and implement the environmental management system and try to minimize adverse impact on the environment.

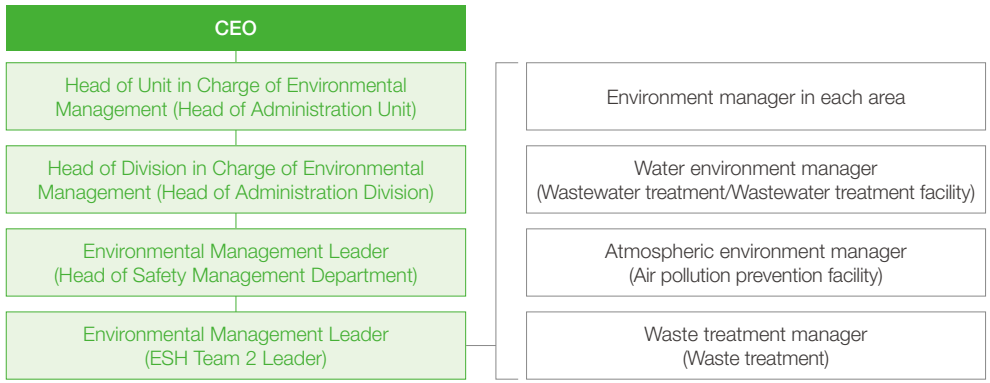
Environmental Management System

Since 2020, Celltrion has been operating a dedicated organization to implement an environmental management system (ISO 14001) and conducting risk and environmental impact assessments. We obtained ISO 14001 certification through an audit on the environmental management system in December 2020.
Since then, we have been conducting annual follow-up audits to assess and monitor environmental risks and strive for sustainable environmental management. Going forward, Celltrion will gradually expand its environmental management scope to meet social demands in the area, such as ESG management and carbon neutrality, which have recently emerged as hot issues, by setting and implementing resource, environment, and energy improvement goals and tasks for all departments through the environmental management system certification. In addition, we will maintain the environmental management system certification to ensure zero environmental accidents and strict compliance with laws and regulations.

Environmental Management Organization

Celltrion has an enterprise-level organization dedicated to environmental management. This organization is responsible for establishing and running an environmental management system and ensuring compliance with environmental laws and regulations. In addition, we fulfill our organizational roles and responsibilities for environmental management systematically by dividing tasks such as establishing environmental goals for each organization, evaluating them, and providing support as needed. The CEO reviews and approves environmental management issues, including environmental management policies and allocation of human and material resources to support the operation of the environmental management system. In August 2022, the ESG Committee was established under the BoD to address major environmental management issues, including strategies to respond to climate change. Environment-related agenda items and progress in responding to climate change are reported to the ESG Management Council (CEO) as necessary. We are strengthening our sustainable management system and capabilities, which include developing strategies and detailed implementation tasks for responding to climate change.

Environmental Management Organization



Environmental Management Strategies

Vision

Green Management
for Clean Future Environment

Goals

No violations of environmental laws and regulations

No environmental accidents

Reduce the intensity of environmental pollutant emissions

Tasks

· **Establish a systematic environmental management system**
- Assess compliance with environmental laws and regulations and monitor changes on a regular basis
- Establish an annual list of environmental agencies and engage in environment-related tasks that require interactions with relevant environmental agencies

· **Environmental improvement activities**
- Establish standards for resource and energy savings to reduce unnecessary consumption, and implement an ongoing monitoring system
- Conduct environmental impact assessments when establishing new factories or introducing new equipment

· **Efforts to reduce pollutant emissions**
- Establish self-management standards that are stricter than the permissible emission levels and implement continuous monitoring procedures
- Establish and implement annual environmental goals at both an enterprise level and for each department

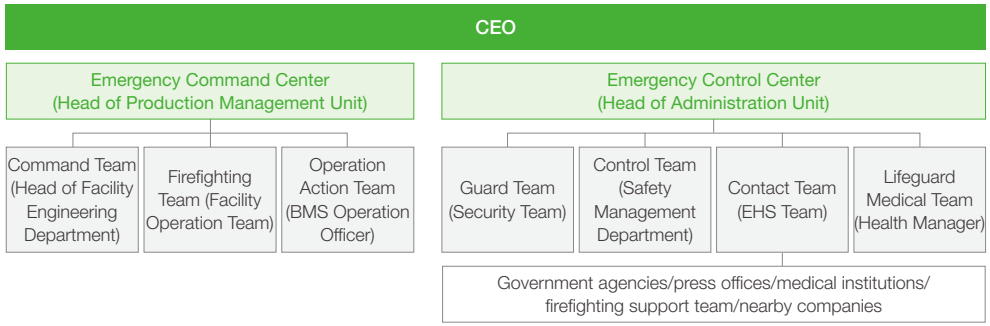
Eco-friendly Investment

In response to the rapid global transition towards eco-friendly energy to mitigate climate change risks, Celltrion is actively making eco-friendly investments to save resources, such as initiatives to enhance energy efficiency and adopt new and renewable energy. The cost of eco-friendly investment is calculated considering expenses related to energy saving, response to climate change, outsourcing of waste and wastewater treatment, investment to improve pollutant generating/preventing facilities, and various taxes and levies. The cost of energy saving and climate change mitigation encompass various expenses, such as replacing equipment with highly efficient alternatives, installing LED lighting, and purchasing carbon credits. Furthermore, investments aimed at improving pollutant-generating/preventing facilities involve enhancement of boilers and their operations, which emit air pollutants, and wastewater treatment facilities. As of 2022, Celltrion's total eco-friendly investment is KRW 1.4 billion.

ESH Risk Management

Celltrion has implemented the ESH emergency response process to identify potential emergencies and accidents that may have significant impact on environmental safety and health and to minimize damage by appropriately operating response plans in the event of an accident. The ESH emergency response process aims to identify types of environmental, safety, and health emergencies, develop action scenarios by type, conduct emergency drills, report the results, and take supplementary and improvement actions. We conduct drills based on various emergency scenarios at least twice a year. In addition, we evaluate the results of emergency drills and reflect them in planning future drills, and use the information for improving the emergency response process.

ESH Emergency Response Organization



Climate Change Response

Climate Change Response Strategy

Celltrion initiated proactive response to the challenges of climate change and its impact on financial information by joining the Task Force on Climate-related Financial Disclosures (TCFD) in January 2023. As a member of TCFD, Celltrion takes a leading role in addressing climate change by implementing systematic risk management practices in line with TCFD's recommendations.

Governance

Celltrion's BoD manages and oversees environmental management activities to strengthen response to climate change and fulfill our social responsibility to protect the environment. The ESG Committee, under the BoD, the top decision-making body for ESG management, checks the progress and performance of the climate change agenda items. In addition, working-level departments are in charge of establishing and operating the environmental management system. In particular, in addition to establishing the ESG Committee, we identified detailed improvement tasks through ESG-level diagnosis. Based on these activities, we will raise employees' awareness of the climate crisis and take the lead in implementing actions to respond to climate change. In the future, we plan to participate actively in climate change response by constantly checking and analyzing climate change goals and performance.

Strategy

With the adoption of the Paris Agreement in 2015, the global community has recognized climate change as a critical issue. In order to respond proactively to climate change, Celltrion is also setting response strategies by reviewing and addressing internal and external uncertainties. We categorize various risks related to the environment and conduct monitoring and control activities by risk type. Through these activities, we will continuously manage risks related to climate change.

Risk Management

Celltrion continuously monitors international trends, such as laws and regulations related to climate change, to identify risks and opportunities. In addition, we identify and assess the relative importance of risks by item through a series of processes such as identifying, assessing, monitoring, and establishing countermeasures for climate change issues. The BoD makes a final review of financial and non-financial risk responses and systematically manages corporate-wide climate change risks.

Risk and Opportunity Analysis

Risk Type	Category	Risk Factors	Opportunity Factors
Physical Risks	Acute	· Increased frequency and intensity of climatic events such as typhoons, floods, and wildfires.	· Strengthening climate change-related infrastructure across business operations
	Chronic	· Long-term changes in climate patterns leading to increase in sea levels, average temperatures, etc.	· Reinforce risk response manuals in preparation for long-term climate changes to produce products and offer services smoothly
Transition Risks	Policies and Laws	· Increased price in ETS and stricter carbon regulations · Tighter environmental disclosure standards	· Sell carbon credit surplus through reduction of GHG
	Technology	· Shift to eco-friendly, low-carbon technology · Reinforce technology investment to improve energy efficiency and reduce emissions	· Improve Celltrion's image as an eco-friendly company by prioritizing eco-friendly product packaging and service development · Reduce GHG emissions and energy consumption by utilizing newly constructed facilities
	Market	· Change in consumer behavior · Increased uncertainty due to the changing market conditions	· Expanded business areas following changed consumer perceptions and customers' behavioral patterns related to climate change
	Reputation	· Growing demand for ESG information · Change in investor and stakeholder preferences	· Enhance competitiveness through various ESG communication channels · Develop and offer services that reflect customers' preferences

GHG Reduction Targets and Indicators

Celltrion was designated as a company subject to GHG Target Management in 2012 and as a company subject to the allocation of emissions allowances under the Emissions Trading Scheme in 2015. Accordingly, we have completed GHG inventories at all of our business sites and are leveraging the GHG Emissions Trading Scheme guidelines for emissions reporting and certification as an indicator. Each year, we get our GHG emissions (Scope 1 and 2) and energy consumption verified by a third party and disclose related data in our GHG verification statement. In addition, we plan to set reduction targets and review and manage performance continuously to respond to climate change risks and opportunities that may arise throughout our business activities.

GHG Emissions Management

Since Celltrion was first designated as a company subject to GHG Target Management in 2012, we have established GHG inventories at all GHG emission facilities within our business sites. Since 2015, we have been designated as a company subject to the allocation of carbon credits under the Emissions Trading Scheme, and have strictly complied with the allocated credits by conducting activities to reduce GHG emissions each year and purchasing external carbon credit. To manage GHG emissions efficiently, we maintain a monthly GHG inventory and compare and analyze it against the allocated amount to establish a plan for GHG reduction and carbon credit purchase. We submit a third-party verified GHG emissions statement to the Ministry of Environment every March and disclose GHG data transparently through annual reports and environmental information. Despite our continued efforts to reduce GHG emissions, Celltrion has experienced a slight increase in emissions each year. However, our GHG emission intensity per unit of sales decreased significantly in 2022

GHG Emissions (Unit: tCO_2eq)

Category		2020	2021	2022
GHG Emissions	Direct emissions (Scope 1)	18,297	19,402	**21,219**
	Indirect emissions (Scope 2)	34,306	35,213	**35,299**
	Total	52,602	54,615	**56,518**
Sales (KRW 100 million)		18,493	18,934	**22,840**
GHG Emission Intensity (tCO_2eq/ KRW 100 million)		2.84	2.88	**2.47**

Energy Consumption Management

Celltrion continuously implements energy-saving activities by replacing old equipment, improving equipment operation methods, turning off every other light, and operating air conditioners in power-saving mode. In the case of Plant 2, we installed a small-capacity (2-ton) once-through boiler, which was planned from the design phase, in order to reduce energy consumption and reduce unnecessary boiler operation by controlling the number of boilers operated based on the required load. Over the period from 2020 to this year, we have replaced all the boilers with new ones to address aging issues. In addition, we have improved the operation method by adjusting the boiler air ratio and reducing the loss at the cooling water pump valve shaft by reflecting the results of energy diagnosis. Furthermore, we have been able to reduce energy consumption by turning off every other light in the machine room and corridors and intermittently stopping the HVAC system operation in the office space every year. In recognition of such energy-saving efforts, Celltrion received certification as a “Korea Energy Champion” from November 28, 2017 to November 27, 2020, by the Korea Energy Agency.

Energy Consumption (Unit: TJ)

Category	2020	2021	2022
LNG	357	379	**415**
Gasoline	2	3	**3**
Diesel	0	0	**0**
Electricity	706	736	**738**
Total	1,066	1,118	**1,155**
Sales (KRW 100 million)	18,493	18,934	**22,840**
Intensity of Energy Consumption (TJ/ KRW 100 million)	0.06	0.06	**0.05**

Response to Climate Change

Celltrion continues to implement its energy-saving activities as part of its environmental management practices. We are reducing GHG emissions by operating the HVAC system in the power-saving mode, turning off lights, and utilizing new energy-efficient factory facilities. Thanks to such efforts, Celltrion was designated as an excellent environmental management company by City of Incheon. All Celltrion employees participate regularly in community councils and various networks dedicated to environmental management. At the ‘2022 Climate Change Response Day’ event, which was held in recognition of the seriousness of the climate crisis and to reduce GHG emissions, we handed out eco-friendly goods and explained the meaning of environmental protection to citizens who visited our booth in order to encourage their participation in environmental protection activities.

Climate Change Response Day

CASE 1 Operation of Eco-friendly Vehicles and Installation of EV Charging Stations

Celltrion is reviewing various environmental improvement issues related to ESG management. As part of our efforts to reduce GHG emissions, we made sure to purchase eco-friendly vehicles such that they constituted more than half of the newly ordered vehicles in 2022. Celltrion is considering the gradual replacement of its corporate vehicles with eco-friendly vehicles[1)]. For this, we are actively participating in the government's 'Targeted Purchase of Eco-friendly Vehicles' policy to improve the environment through energy savings and the use of alternative energy. In addition, we have plans to install more EV chargers than required by the law in the underground parking lot of the new Research Center and to actively encourage employees to use eco-friendly vehicles by expanding electric vehicle charging infrastructure in the future.

1) Electric, solar, hybrid, and fuel cell electric vehicles
* 12 out of 22 vehicles purchased in 2022 (9 hybrid vehicles and 3 electric vehicles)
** Installation of charging stations in the Research Center (6 are mandatory, 10 will be installed)

Management of Water Resources

Celltrion's Plant 1 and Plant 2 have individual wastewater treatment facilities. Wastewater generated from production processes, research institutes, and utility facilities is processed through physical, chemical, and biological treatments before being discharged to the terminal sewage treatment facility. Until 2021, we measured the contamination level of untreated water and discharged water every hour using an automatic COD meter. However, starting in 2022, we have installed an automatic TOC meter and now monitor the levels every 30 minutes in accordance with the revised Water Environment Conservation Act. In addition, we conduct monthly water analysis in our in-house laboratory. Regarding specific water pollutants, we request external accredited analytical institutions to conduct thorough quality check on untreated water and discharged water once every six months for Plant 1 and once every three months for Plant 2. Celltrion operates wastewater treatment facilities at each of its plants in compliance with environmental laws and regulations related to the discharge of water pollutants, and manages wastewater at a level within 40% of the legally permissible standard by setting stricter internal standards than the permissible discharge standard. In addition, highly contaminated laboratory wastewater and wastewater generated after pipe cleaning are not treated at our in-house wastewater treatment facilities but by a professional treatment company.

Management of Waste and Pollutants

Waste Management

Celltrion manages waste by establishing a Waste Management Policy that aims to minimize the amount of waste generated throughout manufacturing activities, from production to disposal, and to recycle and reuse waste as much as possible. Waste generated across all business sites, including production processes and offices, is classified into general, hazardous, and medical waste, and all employees participate in the classification of waste. The discharged waste is managed in accordance with the Waste Management Act after being reclassified at the in-house waste storage based on the nature of the waste. Among general wastes, wastewater treatment sludge generated from the wastewater treatment process is being fully recycled and used as raw materials for cement manufacturing since 2015. Waste oil and solid wastes that can be recycled among hazardous wastes are being recycled and reused from the initial discharge to the present. Medical wastes are classified into pathological and damaging wastes according to their nature and are stored in special containers and processed by a specialized company. With regard to the disposal of final products, the quality department directly oversees the treatment process, ensuring that they are properly incinerated.

Waste Management Policy →

Waste Generated (Unit: ton, %)

Category		2020	2021	2022
Waste generated	General Waste	1,569	1,610	**1,880**
	Hazardous waste	201	213	**211**
	Total waste generated	1,771	1,822	**2,090**
Processed waste	Waste recycled [1]	912	984	**1,145**
	Incinerated (outside)	857	838	**943**
	Landfilled (outside)	-	-	**-**
	Others [2]	1.4	-	**2.0**
	Total waste processed	1,771	1,822	**2,090**
Rate of recycling waste (%) [3]		52	54	**55**

1) Recycled amount (Sludge from wastewater treatment, waste activated carbon, waste oil, waste organic solvent solids)
2) Other treatment methods include the evaporative concentration of waste acid and alkali among designated wastes
3) Waste recycled / Total waste processed

Air Pollutants Management

Since 2015, Celltrion has been gradually replacing boilers, which emit air pollutants, with low-NOx burner boilers that prevent the emission of air pollutants more effectively. In 2022, we completed replacement of all boilers with low-NOx burner boilers. We sign annual maintenance contracts with boiler companies and ensure the optimum efficiency in operating the boilers through regular inspections, thereby reducing unnecessary energy consumption and air pollutant emissions. We manage nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter (PM) through semi-annual measurements conducted by an external accredited analytical agency. Celltrion, operating under a total emission control system, submits relevant data on air pollutant emissions (NOx) to the government every month and purchases additional credits from other companies, if necessary, to ensure strict compliance with the emission quota.

Accelerating Circular Economy

Convert to Eco-friendly Packaging Material for Resource Circulation

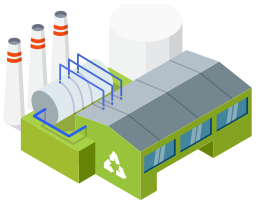
In 2022, Celltrion completed a multi-disciplinary review to develop packaging materials and designs reflecting trends in eco-friendly packaging for pharmaceuticals, and will implement related plans in the first half of 2023. For the nine tertiary packaging boxes used to transport medicines, we have identified new suppliers to change the material from conventional base paper to FSC-certified base paper sourced in a sustainable manner that conserves forests. We have decided to discontinue the use of HDPE/LDPE cushioning materials used for protecting medicines within tertiary packing boxes. Instead, we will be adapting 100% LDPE alternatives, which is biodegradable. In addition, we have changed the packaging design for two medicines that used to be packaged in plastic trays to paper dividers; and applied packaging design that uses only paper to new projects, without using plastic and increasing recyclability of resources. Celltrion will stay committed to continuous research and development to improve the eco-friendliness of pharmaceutical packaging once we implement the eco-friendly packaging transition plan in 2023.

Chemical Management

Celltrion has established a Chemical Safety Management Policy to ensure compliance with domestic and global laws and global standards for chemicals, protect the safety of relevant personnel and minimize environmental risks. We apply relevant laws and regulations such as the Chemical Substances Control Act, Act on the Registration and Evaluation of Chemical Substances, and the Dangerous Goods Management Act to the entire process of introducing, using, and disposing of hazardous chemicals in order to ensure the health and safety of employees and local communities. In the case of new chemicals, we conduct a preliminary safety review through the Material Safety Data Sheet (MSDS) before reporting the new chemicals to the Ministry of Environment for approval. We continuously strive to minimize the amount of hazardous chemicals handled by recording the amount used and received on a real-time basis in the management ledger and monitoring the performance annually. To prevent the leakage of hazardous substances, we have installed monitoring and control systems (leakage detectors and CCTVs) at chemical handling facilities. In addition, we provide safety equipment at each facility for immediate initial response. Celltrion provides training on the proper use of chemicals and management of safe facilities to employees and suppliers, including those who directly handle hazardous chemicals at manufacturing plants, as well as in-depth training on wearing safety equipment, using material safety data sheet, and initiating emergency responses to raise employees' safety awareness and ensure safety at business sites.

Celltrion has received approval from the Ministry of Environment for its chemical accident prevention management plan, which is superior to similar plans adopted by peers, and will continue internal inspections and implementation of related tasks on a yearly basis to build a safety management system, including special training for employees on chemicals and self-inspection.

Chemical Safety Management Policy →



Biodiversity

Biodiversity Policy

Celltrion has established a company-wide Biodiversity Policy to preserve the diversity of life on Earth, its ecosystems, and genetic diversity, and follows a Deforestation Prohibition Policy to support forest protection activities to combat climate change. We encourage the stakeholders we work with to comply with our Biodiversity Policy, minimize the environmental impact on biodiversity throughout our operations, and value nature and protect it for future generations. Celltrion actively complies with international conventions on the protection of biodiversity and land, and will continue to identify biodiversity risks in our operations through environmental impact assessments to ensure conservation and enhancement of biodiversity.

Biodiversity Policy → Deforestation Prohibition Policy →

Activities for Biodiversity Preservation

Celltrion recognizes that many medicines we use contain ingredients derived from plants and animals. We are also aware that the preservation of biodiversity is crucial for the survival of our species. We strive to minimize the emission of pollutants by thoroughly purifying the water used in our production process before discharging it. In addition, to help protect local marine ecosystems, we sponsor non-profit organizations working on biodiversity conservation, and our employees participate actively in volunteer activities. As the main sponsor of the 'Blue Siren Ocean City Plogging for the 2030 Busan World Expo' organized by Busan City, we promoted the importance of preserving marine biodiversity and participated in clean-up activities along the coastal belt and nearby city areas with more than 60 employee volunteers.

A plogging event

SOCIAL

SHARE WARM VALUE

We want to create “warm” value through generating good influence all over the world.

SOCIAL - 01

TALENT MANAGEMENT

As a leader in the Korean pharmaceutical industry, Celltrion has laid the foundations to nurture creative talents with the spirit of inspiring others to showcase their capabilities regardless of social prejudices.
We provide customized, in-depth training for each department and have established a management system where each employee can pursue growth while contributing to a sustainable future for the company.
We also support employees' work-life balance by operating an in-house daycare center and adopting a flexible work system, and strive to create a healthy corporate culture by listening to employees' opinions through the 'Tongnamu (Communication Tree)' communication channel, where the CEO replies directly.

Talent Acquisition

Talent Recruiting

Celltrion is creating jobs and attracting talents to develop the biosimilar business, expand pipelines, and reinforce competitiveness in the small molecule business. The total number of employees increased from 2,111 in 2019 to 2,158 in 2020, followed by 2,207 in 2021 and 2,263 in 2022. As of 2022, the proportion of full-time employees was 93.7%, and that of R&D staff was 32.1%, contributing to the creation of quality jobs. In the future, we plan to increase employment and pursue continuous growth simultaneously, through projects such as Plant 3 and research center construction.

Total number of employees (Unit: person)

2020	2,158
2021	2,207
2022	2,263

full timers

2020	2,041
2021	2,074
2022	2,120

R&D staff

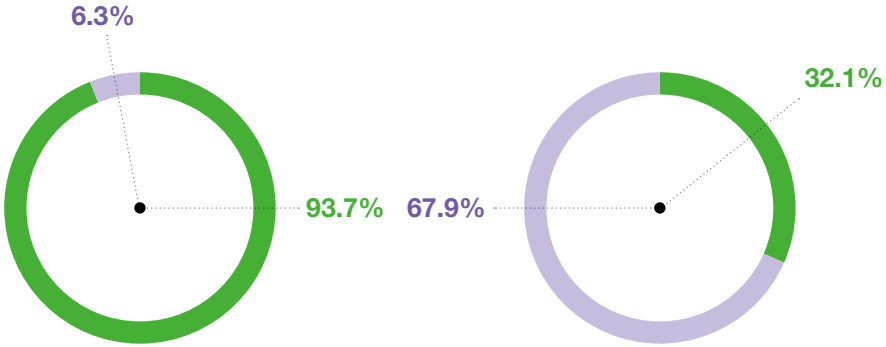
2020	648
2021	701
2022	727

New recruitment

2020	261
2021	337
2022	366

Regular Employment Ratio
93.7%

Ratio of R&D Employees
32.1%



Nurturing Talent

Specialized Vocational Training

Specialized Vocational Training

Celltrion operates specialized vocational training courses to help employees enhance their job expertise. In particular, we provide advanced vocational training related to manufacturing and R&D that is directly or indirectly linked to the work handled by each department (R&D, Production, Quality, etc.). In 2021, we held a total of 13 specialized vocational training sessions with lecturers from external specialist institutes such as Thermofisher Science, a biopharmaceutical company. A total of 357 production and R&D employees completed specialized vocational training. Especially, we are expanding the base for scale-up in the latest purification technology and single-use culture processes applied in bioprocessing. Furthermore, we are reinforcing training to expand expertise in cell line identification and genome analysis related to next-generation gene sequencing. As such, we are enhancing our understanding of future technological trends by field and reinforcing our employees' expertise in the overall pharmaceutical sector: the latest trends in the development of biopharmaceuticals and biosimilars, industry landscape, production trends, aspects to be considered while applying for approval, and process development timeline. We suspended training in 2022 due to COVID-19, but we plan to help employees enhance their job expertise by resuming training in 2023.

Category	Production	R&D	Quality
Topic	· Culture technology related to peptone protein · Purification technology to be applied to the next-generation antibody therapeutics	· Cell line identification method using Sanger sequencing technology · NGS (Next Generation Sequencing)	· Analysis of animal cells and proteins for the production of biopharmaceuticals · Situation and trends related to biopharmaceuticals

E2 Basic Vocational Training

Celltrion continually monitors the rapidly-changing biopharmaceutical manufacturing technology and trends. As part of efforts to improve job expertise of all employees, Celltrion provides newly hired E2 (Manufacturing) employees with training to nurture and develop essential job competencies, in areas such as manufacturing and quality management. We segmented the increasingly diverse expertise in the pharmaceutical industry by training items related to individual jobs depending on the characteristics of each department, with a focus on vocational training by organization (e.g., divisions, departments), external vocational training related to biopharmaceuticals, and professional training at the GMP Academy. In addition, employees are required to complete assigned training and obtain qualifications to strengthen work expertise across the company. We manage training systematically by requiring employees to complete training within four years of joining the company and three months before the first promotion. As of the end of December 2022, 223 employees completed the E2 basic vocational training and attended a total of 14,210 hours of training to obtain the qualifications required for promotion.

Competency Development Program

To enhance employees' roles, Celltrion supports them to strengthen their skills and knowledge while obtaining specialized technology and a broader knowledge base related to manufacturing pharmaceutical products. In particular, we continuously provide vocational training for manufacturing employees to enhance their skills in the pharmaceutical manufacturing area. All of the new hires in the production part - 281 employees in 2019, 286 in 2020, 366 in 2021, and 96 in 2022 - completed the vocational training. In addition, we continue to identify bio-related technologies and industry trends and provide continuous training programs, such as training by invited instructors and online job training provided by outside service providers.

Completed E2 Basic Vocational Training
223 Employees

The E2 Basic Vocational Training hours
Total **14,210**

Corporate Culture

Pursuit of Work-life Balance

Celltrion provides a variety of work types and systems to enable employees pursue work-life balance actively. We encourage employees to take a leave the day before or after a holiday so that they can take time off for several days at a stretch; and grant special leaves to those who have completed 10, 15, and 20 years of service. In addition, in order to help employees maximize their work efficiency through work-life balance, we operate various systems, including compliance with statutory working hours, a flexible work system, recruitment of substitutes for employees on maternity and childcare leave, and promote the use of leave. In particular, with the flexible working system, we allow employees to choose and use working hours and structure hours freely: selective working hours, alternative leave system, flexible working hours, and recognized working hours to improve their work-life balance and the efficiency of manpower utilization.

Creating a Family-friendly Working Environment

Celltrion strives to create a family-friendly working environment as we aim to remain a company where employees' families are happy. We have an in-house childcare center, a childcare service, a maternity lounge for pregnant employees, adjustable working hours, congratulatory allowance for childbirth, maternity gifts, pre- and post-natal leave, childcare leave, spousal leave for childbirth, multiple birth leave, infertility leave, and shortened working hours. In addition, we have designated a pink parking zone for pregnant employees in all parking areas in Plant 1, Plant 2, and the office building. We provide support for children's tuition and medical expenses to ease the burden due to educational and medical expenses, and encourage employees to take family care leave or leave of absence if they need to take care of their family, thereby promoting work-life balance of our employees.

Respect for Diversity

Celltrion has been laying the foundations to establish a culture where employees are respected. We strictly prohibit discrimination based on gender, race, age, disability, religion, etc., and are creating a culture where people with diverse backgrounds and mindsets can reach their full potential. Every year, we provide mandatory training on prevention of sexual harassment, prohibition of workplace harassment and disability awareness for all employees, and we guarantee equal pay for equal-value work for all women and men, including youths and the disabled. In particular, we support women's social participation and economic opportunities by assigning proper value to their labor.

Diversity in Workplace (As of the end of December 2022)

Ratio of Female Employees
42.6%

Average Age of Employees
32.7 years old

Ratio of Remuneration of Women to Men
100%

Fair Evaluation and Compensation

Celltrion operates a performance evaluation system that emphasizes collaboration between colleagues and departments, rather than encouraging excessive competition between individuals.
To do so, our evaluation system is comprised of three levels (special / outstanding / good) without any negative grade. Moreover, collaboration among colleagues and departments – as well as individual performance – is included as a crucial evaluation factor. Through our positive evaluation system, we select a certain percentage of employees who have shown outstanding performance in the current year so that evaluation may have a positive impact on corporate culture and employees' morale. In order to ensure fair evaluation, we developed detailed standards and guidelines for each process of goal setting, mid-year review, and year-end evaluation and interview; we also distribute training manuals and guidebooks to enhance the employees' self-evaluation capabilities, and conduct continuous HR inspection activities. We also operate a performance-based compensation system that links these performance evaluation results to compensation, as well as an annual salary system that determines the next year's annual salary increase based on the results of the employees' evaluation. Furthermore, we also operate a Profit Sharing (PS) system by which the company shares its profit with employees in order to emphasize the importance of collaboration among employees. Thus, not only individual performance but the entire company's performance is also reflected in individual compensation.

Welfare Benefit System

Family

Celltrion aims to create a work environment where work-family balance can be maintained, and operates an in-house daycare center for employees' young children. We also provide financial support for children's tuition fees and special education expenses for children with disabilities. In addition, we provide benefits such as rental of Yeongbingwan - a guest house designed to host VIPs - for family events, support with transportation expenses for unmarried employees to visit their home outside the metropolitan area (including overseas), and support for family events.

Health Management

Celltrion is committed to taking care of the health of our employees who spend most of their time at the company. We provide group accident insurance for our employees and operate a medical expense support system, which is not only for employees themselves, but also for their spouses and children. We also provide regular medical examinations to check their health status, and operate an in-house nurse's office and a posture correction education program to ensure that employees receive the support they need to take care of their health. In addition, we operate a cafeteria with a dietitian-managed menu to ensure a balanced diet for our employees. Considering the 24/7 operation of the plants, we provide five meals a day to help employees maintain a healthy diet.

Convenience of Life

Celltrion operates a selective welfare system that allows employees to plan their welfare benefits autonomously based on their personal preferences. Celltrion provides dormitories for new hires to ensure a smooth onboarding experience. In addition, we operate commuter buses with a total of 18 routes to enhance commuting convenience for employees living in the Seoul Metropolitan Area. Celltrion also operates an optional welfare system that allows employees to select and use the welfare benefit they want in real life by giving them cash-equivalent welfare points.

Leisure Activities

Celltrion supports employees to pursue various leisure activities outside of work. We actively encourage employees to enjoy hobbies and socialize with each other through in-house clubs and support their cultural activities through in-house cultural experience classes held once a month and an e-library that is always open. Through partnerships with hotels and resorts, we allow our employees to use their services at a membership discount price. In addition to accommodation discounts, we also have established partnerships with restaurants, sports facilities, and beauty shops near the company, allowing employees to use such services at a discounted price.

Employee Engagement

Organizational engagement is the attitude expected of employees to accept the goals and values of an organization and strive for its development, acting as a source of organizational progress. We planned and conducted an engagement survey to assess whether we are building a highly productive organizational culture where employees have ample opportunities to accomplish personal growth through their work. Following a pilot test of organizational engagement among members of the ESG T/F in 2022, we surveyed all our employees. The results will be used to improve organizational engagement among the employees and create a great corporate culture to work. We conduct the engagement survey annually to listen to employees' opinions and improve work productivity.

Employee Engagement Goal

50%

Employee Engagement Survey Results

55%

Labor Management

Operation of Labor-management Council

Celltrion has established a labor-management relationship based on trust and mutual cooperation and a healthy and developing corporate culture. The stable labor-management relationship and healthy corporate culture serve as the foundation for the company's further growth and development and are the driving force for achieving high competitiveness. The operation of our internal "Employee Council" (Labor-management Council) serves as an opportunity for the labor and management to work together to improve the welfare and work environment for employees, and contributes to the development of the company based on employees' grievances and free suggestions. The Employee Council Agreement applies to entire employees, and all employees at each business site participate in electing members representing the workers' side. Currently, three labor side council members are active at their respective sites, and regular meetings are held with management side council members on a quarterly basis to actively discuss issues such as improving the working environment and welfare benefits, enhancing productivity and work engagement, and vitalizing the organization and promoting communication.

Operation of Communication Channel Tongnamu (Communication Tree)

Celltrion recognizes that providing a pleasant office environment where employees can concentrate on their work is the way forward for both labor and management. Since August 2018, we have operated a communication channel called "Tongnamu," where the CEO responds to employees' grievances and opinions within two weeks. Through the system, we listen to employees' grievances and opinions to ensure no employee is left out of the communication loop. In 2022, a total of 514 proposals were received, including improvements to the company's HR and welfare benefit system and amenities. We took improvement action on the entire items suggested. This way, the stable labor-management relationship has served as a positive factor in the evaluation of the company by external stakeholders. We will continue our efforts to maintain stable labor-management relations and grow further based on mutual trust.

No. of Proposals Received through Tongnamu

514 cases

SOCIAL - 02

HUMAN RIGHTS MANAGEMENT

Celltrion strives to ensure respect for the fundamental rights of all stakeholders, including employees, by proactively identifying various human rights violations guided by our management philosophy of prioritizing human rights.
To manage and prevent human rights risks, we conduct human rights surveys for all our employees and monitor potential risks.
We also take care of our employees' mental health by providing education on the prevention of sexual harassment and workplace harassment, and by running our own online mental health checkup program to promote human rights awareness.

Human Rights Policy

Celltrion puts human rights first in our business philosophy and respects the human rights of all its stakeholders. In 2022, we established our own human rights policy to ensure that it is followed at all our business sites and suppliers' facilities. Furthermore, we have established a governance system to support and practice the values of international human rights principles and norms, such as the Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, the UN Convention on the Rights of the Child (CRC), the Fundamental Conventions of the International Labor Organization, and the Corporate Human Rights Benchmark (CHRB).

Human Rights Policy →

Human Rights Management System

Celltrion practices respect for the human rights of all stakeholders as well as internal employees by proactively identifying and improving various human rights violations that may occur through our business activities. To this end, the ESG Committee under the BoD oversees ESG issues, including human rights, and a dedicated department promotes issues related to human rights management.

Human Rights Risk Management

Risk Management Process for Human Rights

Celltrion established a human rights policy in 2022 and developed a human rights risk management system to practice human rights management. The existing management system is reviewed regularly to understand social changes and respond proactively to potential risks. In particular, Celltrion strives to prevent human rights violations by identifying human rights management risks that may arise in business activities; follows assessment and monitoring procedures for human rights risks; and discloses the results to communicate transparently with stakeholders. Furthermore, online and offline channels are operated to receive grievances anytime, anywhere. In 2022, we conducted a pilot test of human rights impact assessment for ESG T/F and expanded the scope to cover all employees to expand understanding on human rights management situations and risks across the business. In accordance with our human rights policy, we conduct comprehensive reviews of human rights issues such as forced labor, human trafficking, child labor, freedom of association, collective bargaining, equal pay, and discrimination. The human rights impact assessment is used to manage Celltrion's human rights impact by proactively identifying and evaluating actual and potential human rights risks that may arise from our business activities. In addition, we diagnose mental health risks and provide support for psychological counseling through an online mental health screening program. Celltrion will continue to operate and improve systems to detect and make proactive improvements and thereby ensure that employees' fundamental rights are not violated.

Operation of the Grievance Handling System

Handling Grievances and Sexual Harassment Cases

Celltrion listens to employees' opinions and tries to resolve grievances through online and offline grievance channels such as an internal anonymous communication channel (Tongnamu), Labor-management Council (Employee Council), Grievance Committee, and counseling center. The ER Team under the Corporate Culture Department operates the grievance handling system. Through the representative grievance channel Tongnamu, the CEO personally replies within two weeks to grievances and opinions on human rights in general, from minor issues related to welfare benefits to complaints regarding sexual harassment, workplace harassment and HR practices, and opinions related to suppliers. In addition, suggestions/grievances received through the Labor-management Council and Grievance Committee are discussed regularly between the labor and management to derive improvement points. After 2020, due to the difficulty in receiving grievances offline amid the COVID-19 pandemic, we are trying to receive employees' grievances and opinions through various channels, including the online channel. In 2022, a total of 514 grievances were received through the grievance handling system. In all cases, we notified the informants regarding the results of the actions taken. In cases that could not be solved immediately, we provided them with action plans and timelines within the deadline. In particular, we operate a reporting system for workplace discrimination and harassment. In 2022, we completed taking disciplinary actions on a total of 12 reports[1)] of workplace discrimination and harassment that were received through the grievance handling channel.

1) 5 official were reports received by the ER Team; 7 were received through Tongnamu.

Cases Related to Discriminatory Behaviors and Harassment

Category	Unit	Case
Cases of discrimination/harassment	No. of cases	12
Cases of disciplinary actions taken		12

Human Rights Awareness Assessment

Celltrion spares no effort to identify direct, indirect, or potential human rights impacts generated by our business activities. We survey entire employees in Korea about their human rights awareness to identify human rights issues that should be managed from an employee's perspective, and implement action to improve their awareness regarding the issues identified. The human rights awareness survey mainly focuses on identifying issues that we have to prioritize, and it was confirmed that there were no serious human rights risks. We utilized an online survey that guarantees the anonymity of the respondents and categorized questions into 1) human rights issues and 2) risk management. We conducted an analysis to identify groups affected by human rights issues, including vulnerable groups such as children, the elderly, women, community members, sexual minority groups, religious minority groups, migrant workers, the poor, and the displaced/refugees. According to the survey, Celltrion employees, in general, are of the view that priority should be given to prohibiting discrimination, improving the work environment, human risks management systems, and managing workplace harassment and sexual harassment. We plan to expand the scope of human rights assessment to our global business sites and conduct human rights assessments every year so that we can re-

Key Areas of Human Rights that Should be Managed by Celltrion

Major Areas of Human Rights	Direction for Stricter Management
Prohibit discrimination	**Guarantee fair performance evaluation/Compensation and promotion system** · Improve and strengthen assessment procedures and systems · Listen to employees' feedback regarding maternity protection and non-full-time employees
Improve the work environment	**Manage employees' mental health/stress** · Reinforce employees' mental health check-ups (Once a year) · Continue upgrading the working environment and rest areas at the workplace
Human rights risk management system	**Review the overall grievance procedure** · Strengthen accessibility to each grievance-handling channel · Upgrade the grievance handling procedure in terms of expertise
Workplace harassment /Sexual harassment	**Protect employees from unfair work instructions and verbal sexual harassment** · Take vigorous improvement actions whenever issues arise · Stronger prevention through reinforced manager training

spond proactively to human rights risks. We will advance our management systems for each human rights issue identified from the human rights awareness assessment to monitor potential human rights issues and protect our employees' human rights. We at Celltrion recognize that respecting human rights is the fundamental responsibility that a company should pursue. Celltrion will continue reinforcing human rights due diligence on its business sites and supply chain. We will pursue the following continuously to create a culture where all rights are respected without infringement.

Future Plan

Phase 1 (~2023)	· Develop and implement a human rights awareness assessment process · Develop a plan to manage potential human rights issues
Phase 2 (2024~2025)	· Conduct regular human rights impact assessment on potential human rights issues · Identify human rights risks and establish improvement tasks
Phase 3 (2025~)	· Expand the scope of human rights impact assessment considering the scope of human rights policy application

Furthermore, we will strengthen our efforts related to diversity, equity, and inclusion, which are closely linked to human rights, and will transparently disclose related performance to stakeholders.

Enhancing Human Rights Awareness

Human Rights Training Programs

We believe that human rights awareness should be established at the enterprise level first in the process of implementing human rights management. In order to promote the culture of mutual respect and understanding of diversity among employees, Celltrion introduced training programs related to the prevention of sexual harassment, improving the perceptions regarding the disabled, and preventing workplace harassment. In 2023, we will continue to develop and expand the training courses to improve employees' perceptions regarding human rights and reinforce implementation.

Category		Unit	2020	2021	2022
Training on the prevention of sexual harassment	Employees subject to training	Person	2,074	2,081	2,120
	Completion rate	%	100	100	100
Training on improving perceptions regarding the disabled	Employees subject to training	Person	2,055	2,088	2,130
	Completion rate	%	100	100	100
Training on preventing workplace harassment	Employees subject to training	Person	2,092	2,148	2,189
	Completion rate	%	100	100	100

Employees Who Received Sexual Harassment Prevention Training (Unit: person)

2020	2,074
2021	2,081
2022	2,120

Employees Who Received Training on Improving Perceptions Regarding the Disabled (Unit: person)

2020	2,055
2021	2,088
2022	2,130

Employees Who Received Training on Prohibiting Workplace Harassment (Unit: person)

2020	2,092
2021	2,148
2022	2,189

Clinical Trial/Animal Testing

Direction of Study Ethics and Compliance

For pharmaceutical drug candidates developed at Celltrion, it is mandatory to conduct non-clinical animal study and clinical trials to confirm their efficacy, toxicity, and safety. Throughout this process, Celltrion ensures through training that its employees adhere to the ethics-related regulations required by relevant countries and rules for internal management.

Clinical Trials

Activities to Guarantee the Safety and Rights of Clinical Trial Subjects

Celltrion ensures that all clinical trials are conducted in compliance with international ethical regulations, including the International Council for Harmonisation's (ICH) Good Clinical Practice (GCP) and ethical regulations based on the Helsinki Declaration. Celltrion has established Standard Operating Procedures (SOPs) as its internal management policy to manage and oversee the implementation of ethical regulations in clinical trials conducted by employees as well as Contract Research Organizations (CROs). To ensure the safety of participating patients throughout all phases of clinical trials, Celltrion selects patients in strict compliance with the criteria for inclusion and exclusion in accordance with the pre-established clinical trial protocols; and conducts clinical trials under medical monitoring to manage the subject's safety. Celltrion also manages and supervises compliance with the ICH-GCP and clinical trial protocols through various risk assessment and prevention measures, monitoring, and auditing activities to strengthen compliance with the relevant regulations and protocols.

Activities for Quality Assurance of Clinical Trials

Celltrion is preparing a clinical trial management policy in line with international standards for ethical and scientific quality management. The policy stipulates the standards to be followed and Celltrion's internal procedures that apply to them, including organizational structure, management of investigational products for clinical trials, planning and management of clinical trials, data integrity, monitoring, auditing, change control, reporting, training, vendor management, and risk management. Celltrion's quality management system has the following procedures for clinical trials. For quality assurance in clinical trials, the relevant departments conduct reviews and investigations independently from the clinical operations department. Celltrion has established the following procedures from a clinical operations perspective to ensure quality management at each stage of clinical trials.

- Evaluation of clinical trial service providers
- Auditing clinical trial sites
- Internal audits
- Managing noncompliance in clinical trials
- Providing training for Celltrion employees on Good Clinical Practice
- Change controls for computerized systems used in clinical trials
- Review essential documents related to clinical trials
- Review validation plan/report and sample analysis plan/report for bioanalytical assay in clinical trials
- Review labels of investigational products for clinical trials
- Training for employees in charge of clinical trials, management of non-compliance issues/investigation of fraud and misconduct, clinical trial preparation, management of external vendors and clinical trial sites, development/management of clinical trial documents, management of clinical trial materials, risk-based monitoring, and maintenance of blinding in clinical trials

Due to the COVID-19 pandemic, Celltrion attempted to change the process of recruiting subjects and operating clinical trials. In line with the rapidly changing external environment, Celltrion discussed risk mitigation plans internally and with contracted suppliers, and introduced new approaches such as adjusting the timepoint of supplying investigational products for clinical trials and the schedules for subjects of clinical trial to visit the site where the clinical trial is conducted, adjusting the number and frequency of monitoring/central monitoring on the clinical site and clinical trial site audits, and discussing in advance how to handle uncollected data considering the COVID-19 situation. With the aim of optimizing quality of the data collected during the clinical trial period, Celltrion operated clinical trials with the highest priority on the safety and rights of clinical trial subjects.

Overview of Clinical Trial Quality and Future Improvements

Celltrion strives continually to ensure the safety and rights of clinical trial subjects to assure the quality of clinical trials. In addition, Celltrion engages in consulting on individual cases that need to be discussed, including issues that arise during the operation of clinical trials, so that Celltrion can proceed with quality management procedures from an objective and independent perspective.

Animal Testing

Compliance with Quality and Ethical Standards for Non-clinical Studies

Celltrion adheres to the principles of the 3Rs (Replacement, Reduction, and Refinement) for minimizing animal use required for non-clinical research development. Through optimized study designed in accordance with the ICH (International Council for Harmonization) guidelines, we are able to not only reduce unnecessary animal sacrifice, but also clearly identify the efficacy, safety, and pharmacokinetic properties of drug candidates. We outsource all animal experiments for non-clinical research development to specialized Contract Research Organizations. All animal experiments are conducted under the review and approval of the Institutional Animal Care and Use Committee (IACUC), and in compliance with Standard Operating Procedures (SOPs) and Good Laboratory Practice (GLP) regulations.

SOCIAL - 03

SAFETY AND HEALTH MANAGEMENT

Celltrion has established an ESH (Environment, Safety and Health) Policy to ensure the safety and health of each employee, and applies it to all management activities. We have obtained ISO 45001 (Safety and Health Management System) certification by conducting continuous improvement activities through internal audits and risk assessments.

Furthermore, we have established a systematic safety network by operating a dedicated organization under the CSO and appointing safety and health managers in each department.

We also conduct periodic emergency response drills and safety and health management for suppliers (mutual cooperation programs) to establish a safety culture based on the voluntary participation of stakeholders.

Safety and Health Policy

Environmental Safety and Health Policy

Celltrion is committed to abide by ESH laws, regulations, and procedures, managing them to standards that exceed legal requirements, and fulfill its responsibility for safety and health. In line with the ESH Policy, Celltrion has established measures to pursue sustainable management based on the trust of various stakeholders, including employees, customers, shareholders and investors, suppliers, and local communities.

Environmental Safety and Health Policy →

Basic Principles Regarding Safety and Health Management

① We comply with laws and regulations at home and abroad to prevent safety accidents, and have established internal safety and health regulations that are stricter than the legally required level. Workers are required to thoroughly understand the standards prepared by the company, including the safety-related work manual, and perform their work according to set procedures.

② We have established and continually operate a safety and health management system according to international standards; and comply with management criteria based on the ILO's Safety and Health Agreement.

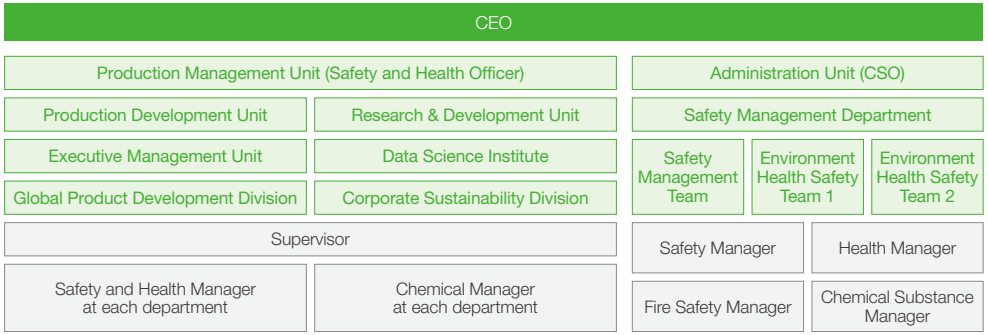
③ We continue managing and improving the safety and health management system to prevent occupational accidents.

④ We install and operate the Occupational Safety and Health Committee, with an equal number of representatives from the labor side and the management side; and conduct deliberation/approval of issues related to safety and health by running the committee once a quarter.

Safety and Health Management System

Safety and Health Organization

Celltrion runs a dedicated safety and health organization under the CSO. We have appointed a safety and health manager and a chemical substance manager under the supervisor of each department for ESH management activities.



Category	Taken by	Employees	Roles
Safety and Health Officer	Head of Production Management Unit	1 person	Oversee the safety and health management activities of Celltrion
Supervisor	Head of Non-office Workers	64 persons	Identify danger·risk factors applicable to the department and make improvements Manage outsourcing activities of the department Provide department members with safety training, etc.
Safety and Health Manager at each department	Appointed Person	114 persons	Respond to incidents Request medication and manage first aid kits Manage applications and distribution of safety equipment Cooperate with other safety and health-related tasks
Chemical Substance Manager at each department	Appointed Person	36 persons	Inspect hazardous chemical handling facilities Conduct chemical incident response drills Organize joint inspection among chemical substance managers of different departments
Safety Manager	Appointed Person	3 persons	Perform the safety manager's duties according to the Occupational Health and Safety Act
Health Manager	Appointed Person	3 persons	Perform the health manager's duties based on the Occupational Health and Safety Act
Fire Safety Manager	Appointed Person	3 persons	Perform the duties of the fire safety manager in accordance with the Fire Prevention and Safety Management Act
Hazardous Chemical Substance Manager	Appointed Person	2 persons	Perform the duties of the hazardous chemical substance manager as stipulated under the Chemical Control Act

Operation of Occupational Safety and Health Committee

Celltrion runs an Occupational Safety and Health Committee comprised of an equal number of members representing employees and the company. Every quarter, the Occupational Safety and Health Committee performs deliberations and approves major matters related to safety and health by sharing opinions on the basic safety and health management system, safety and health management regulations, changes in rules, inspection and improvement of the working environment, workers' medical examinations, and safety and health education.

Members
20 persons in total (10 from the management side, 10 from the labor side)

Management side
- 1 Health and Safety Officer
- 1 Safety Manager
- 1 Health Manager
- 7 other committee members from the management side

Labor side
- 1 labor side representative
- 9 other committee members from the labor side

Activities
A committee meeting is held once a quarter.

Safety and Health Management System

Overview of Safety and Health Certifications Obtained

Celltrion has established and runs an ISO 45001 system (Safety and Health Management System) to achieve its corporate safety and health goals of preventing work-related injuries and health impairments, creating a safer and healthier work environment free of risks. In accordance with the ISO 45001 requirements, Celltrion keeps implementing improvement measures and corrective actions following the PDCA (Plan-Do-Check-Act) cycle by establishing company-wide safety and health goals; identifying risks related to internal and external issues; and conducting risk assessments, legal compliance assessments, and internal audits; while taking follow-up actions for issues that arise. In addition, we exert efforts to manage safety and health by annually reporting on outcomes to the head of management.

PLAN	DO	CHECK	ACT
· Develop a health and safety work plan · Secure a health and safety budget · Set health and safety goals	· Identify internal and external risks to health and safety · Risk assessment · Assess compliance with health and safety laws and regulations	· Monitor health and safety activities · Internal audits · Post Audit ACT	· Corrective action · Continuous improvement · Executive review

Safety and Health Risk Management

Safety and Health Risk Management Process

Celltrion is working to build a safe work environment by proactively identifying and improving hazards and risk factors at all business sites. We have developed a six-phase corporate-wide safety and health risk management process to proactively prevent and manage safety and health risks for all employees.

Step 1 Risk assessment training	· Provide workers with training on the procedures and methods of assessing risks
Step 2 Process investigation	· Define all processes within a department and the sequencing of tasks by process · Identify process- and task-specific characteristics
Step 3 Risk assessment	· Site due diligence by activity · Calculate risks by hazard and risk factor
Step 4 Development of improvement measures	· Select hazard and risk factors with high adverse impact · Develop measures to mitigate the selected hazard and risk factors (In the order of removal, engineering measures, administrative measures, and protective equipment)
Step 5 Implementation of improvement measures	· Implement the selected mitigation measures · Validate the effectiveness of the mitigation measures
Step 6 Continuous improvement and management	· Share the results with relevant departments and make horizontal deployment · Continue to manage low-risk factors

Spreading Safety Culture

Reinforcing Competency to Strengthen Safety Culture

Regular Safety and Health Training

Celltrion conducts various safety and health training for all employees. Regular safety and health training programs are provided online. Celltrion offers customized safety training content depending on the type of work (office/non-office workers), department, and seasonal factors. In addition, we provide mandatory training courses such as training for new hires, training for changes in work, special training, and vocational training. For workers subject to Process Safety Management (PSM) with high risk, we provide additional PSM guidelines and training, demonstration training on near miss cases, and training on accident cases in the same industry.

Safety and Health Training

In order to respond quickly to emergencies such as fires, Celltrion has created an emergency response organization for each plant and provides periodic response drills. In addition, we conduct corporate-wide emergency evacuation drills and emergency contact network drills every half year to strengthen employees' response capabilities in the event of an emergency. Further, we conduct periodic hands-on training on fire suppression and first aid, cardiopulmonary resuscitation, and how to use an automated external defibrillator.

Assessment of the Safety Culture

Celltrion conducts a quantitative assessment on the safety and health level of each department on a quarterly basis to strengthen the safety culture. Nine items, including education and training management, site management, medical examination management, document management, and safety accident management, are evaluated every quarter, and rewards are given to the safety and health manager of outstanding departments.

Trainee

Q1	Q2	Q3	Q4
Office workers 927 persons	Office workers 916 persons	Office workers 919 persons	Office workers 966 persons
Non-office workers 1,191 persons	Non-office workers 1,156 persons	Non-office workers 1,152 persons	Non-office workers 1,207 persons
Total 2,118 persons	Total 2,072 persons	Total 2,071 persons	Total 2,173 persons
Completion rate 100%	Completion rate 100%	Completion rate 100%	Completion rate 100%
Content	Content	Content	Content
· Human characteristics and safety · Job stress throughout the year · Seasonal healthcare (Spring) · Management of the office work environment · Risk assessment cases (Production) · Prevention of health hazards caused by hazardous substances · Management of electrical safety	· Importance of occupational health and safety training · Seasonal healthcare (Summer) · Insomnia and stress management · Human psychology and safety · Handling dangerous goods, etc. · Preventing human error and unsafe behaviors · Cases of accidents related to falling-down and measures for prevention	· Types of safety behaviors · Safety and ergonomics (Office work) · Prevention of health hazards in the office · Compliance with the basics and principles is the fastest way to prevention of accidents · Accidents that occurred by collision while unloading from vehicles · Use of Material Safety Data Sheets (MSDS) · Examples of falling accidents and preventative measures	· Combustion and extinguishing theory · Firefighting planning and drills · Fire and explosion accidents · Seasonal healthcare (Autumn) · Gas safety management · Management of open flames · Management of hazardous materials

Fire Prevention Campaign

Celltrion conducts an annual fire prevention campaign to promote safety culture among employees. In 2022, we provided guidance on major fire incidents in the office, as well as fire extinguishing capsule stickers and fire evacuation masks, and offered instructions on how to use them. We also held a fire-related OX quiz and organized an event called the Hidden Hazard Hunt in the Workplace and rewarded outstanding employees.

Safety and Health Management for Suppliers

Celltrion runs a mutual cooperation program for safety and health with its on-site suppliers. In addition, we created a council with our suppliers, and hold monthly meetings and joint inspections every quarter to identify non-conformities and take corrective measures to improve the management level. Furthermore, we conduct annual qualification evaluations for on-site suppliers and evaluations for outsourced suppliers before commencing work to ensure that only those who meet the evaluation criteria are allowed to perform the work.

Health Management for Employees

Celltrion is working relentlessly to create a health management system that puts the health of its employees first. With various health promotion activities and management of the work system, we aim to build a better working environment. In particular, we support comprehensive health checkups for employees over 30 to enable them check for health abnormalities and take a proactive approach to assist those with symptoms and those whose condition needs to be observed. The in-house Health Management Center provides health counseling, first aid, vaccinations, and treatment to prevent risky diseases such as influenza and hepatitis A. In particular, the Center has a body composition analyzer to help employees manage their health, and has introduced massage chairs to create an environment where employees can take some time to rest during work. In addition to general health care, we provide regular job stress tests and run one-on-one psychological counseling programs with a professional counselor to promote employees' health. For example, we run posture correction programs to prevent musculoskeletal diseases and smoking cessation clinics in conjunction with Public Health Centers, and reward employees who show outstanding results. We also support the development of healthy walking habits through the 'Celltrion Healthy Walking Challenge' event.

Fire Prevention Campaign

Smoking Cessation Clinic

SOCIAL - 04

CUSTOMER SATISFACTION MANAGEMENT

Celltrion spares no effort in terms of investment to secure safety in all processes from pharmaceutical development to sales, promoting the health of all customers around the globe as the highest priority.
We have introduced systematic quality control and improvement processes and vitalized various communication channels.
We gather the valuable opinions of our customers situated in various countries, which are delivered to the Quality Assurance Division, in order to run a strict quality management system.

Customer-Centered Quality Management System

Quality Assurance Process

Biopharmaceuticals require strict and thorough quality management in all processes covering development, production, storage, distribution, and sales. To ensure strict adherence to these requirements, a stringent quality management system must be established first. To provide pharmaceuticals with a high level of quality, efficacy, and safety guaranteed, Celltrion has developed a quality management system based on global GMP and ISO standards. In addition, we apply the system comprehensively to the entire process from product development and production, to sales; and ensure the quality of pharmaceuticals by means of strict compliance with GMP standards. Celltrion's quality policy objective is to achieve a level of quality assurance that exceeds global Good Manufacturing Practice (GMP) regulations. All Celltrion employees receive regular training on global GMP standards and the latest trends to enable them understand the objectives of Celltrion's quality policies and the importance of pharmaceutical quality. This allows them to leverage their understanding regarding GMP-related activities. Celltrion is continuously upgrading its product quality through the systematic quality management and monitoring system. In the future, we will produce high-quality pharmaceuticals more safely based on a strict and thorough quality management system to supply them to patients worldwide.

Operation of the Quality System

Celltrion analyses and allocates necessary resources for pharmaceutical development, production, storage, distribution, and sales based on the quality policy envisioned by the CEO with the goal of continuous quality improvement. We have also established and operate Standard Operating Procedures (SOPs) for effectiveness and consistency. To ensure the quality, efficacy, and safety of pharmaceuticals, we implement risk management programs using Failure Mode Effect Analysis (FMEA) and Fault Tree Analysis (FTA), etc., to determine risk factors and implement risk mitigation plans, which are then applied to manufacturing processes, facilities, and systems. In addition, all employees who are involved in the drug manufacturing process are required to complete basic and advanced training related to GMP regularly. For jobs requiring specialized and sophisticated skills, including aseptic techniques, we provide quality training to workers through field training and a thorough qualification program to assess the effectiveness of the training. Critical processes that affect drug quality, efficacy, and safety are documented in detail and used for monitoring of the manufacturing process and trend analysis. Any abnormal situations during the manufacturing process are investigated thoroughly to determine the root cause. We also evaluate effectiveness by running Corrective And Preventive Actions (CAPAs) under the quality system to prevent recurrence.

As such, Celltrion's quality system is subject to periodic regulatory inspections and customer audits, internal audits, quality committees, trend analysis, and annual quality reviews to ensure the effectiveness and systematicity of our operation methods. For items that are found to need improvements as a result of assessments, we revise our quality policy and standard operating procedures and reallocate necessary resources.

We also use various computer systems to ensure the effective operation of our quality system. Policy documents and standard operating procedures required for GMP operations are available to all workers in real-time through the Electronic Document Management System (EDMS). Celltrion employees acquire the knowledge required for GMP work through the Electronic Learning Management System (ELMS), and we also run an e-learning system for effective remote training. Key quality systems and procedures such as deviations, change management, Corrective And Preventive Actions (CAPA), complaints, and supplier management are managed digitally through the Quality Management System to ensure effective management of quality objectives.

Manufacturing Facility and Schedule Management to Ensure Pharmaceutical Quality

Celltrion has built its manufacturing facility in accordance with global GMP regulations to avoid cross-contamination between manufactured medicines. To minimize microbial contamination during the cell culture process, we placed each bioreactor for the cultivation process in a closed system. The pre- and post-viral filtration for these purification processes occurs in physically separated areas. The filling area, where sterile products are filled, is controlled by a Restricted Access Barrier System (RABS) that applies strict cleanliness standards. The system was designed to minimize microbial contamination by operators. In addition, we have installed independent Heating, Ventilation & Air Conditioning Systems (HVAC) for each manufacturing process to prevent the possibility of cross-contamination between manufacturing processes. All manufacturing processes are run on a campaign basis, with a strict change-over program between each campaign to prevent the possibility of cross-contamination. Celltrion's manufacturing facilities and processes are validated to ensure that they operate as intended and within the process range and that they can produce high-quality medicines consistently. Furthermore, Celltrion's manufacturing facilities are operated with automated systems to minimize the risk of process failures due to operator error. The manufacturing data accumulated through this forward-looking system is used for process monitoring and trend analysis to ensure drug quality and evaluate the consistency of the manufacturing process. The manufacturing process is optimized continuously through statistical analysis of process variables.

Pharmaceutical Quality Management System

Celltrion thoroughly verifies the quality of its products by analyzing critical quality attributes of manufactured pharmaceutical products. We have identified the quality attributes of our products based on more than 20 different analytical methods and clarified the complex physicochemical quality characteristics of biopharmaceuticals. These analytical methods are based on the International Conference on Harmonization (ICH) guidelines, and validated taking into account variables such as accuracy, precision, specificity, detection/quantitation limit, linearity, and range. Analytical methods that are based on the International Pharmacopoeia are subject to verification of the testing method to ensure reproducibility within the laboratory environment. Drug samples and analytical data are tracked and managed in real-time through the Laboratory Information Management System (LIMS), which is linked to the Enterprise Resource Planning (ERP) system to ensure that each product lot is controlled systematically for its disposition. We operate a pharmaceutical stability program to secure evidence of changes in pharmaceutical quality over time due to environmental factors such as temperature, humidity, and light, and calculate appropriate storage conditions and expiry dates for manufactured medicines.

Quality Management Performance and Plans

From 2006 to 2022, Celltrion received more than 50 regulatory inspections in more than 20 countries, including inspections by the US FDA (US), EMA (Europe), MFDS (Korea), PMDA (Japan), and ANVISA (Brazil), and demonstrated and improved the effectiveness of its quality management system. In the past four years (2019 to 2022), we received a total of 28 inspections/audits by customers and regulatory agencies, which were successfully completed without any significant findings. In particular, in May and June 2022, GMP inspections were conducted by the European EMA and the US FDA, which have strict GMP standards. We successfully obtained GMP certification, proving the efficiency of our quality management system once again. In addition to the ISO 9001 (Quality Management System) standard certification in 2020, we have obtained and maintained ISO international standard certifications in five areas: ISO 14001 (Environmental Management System), ISO 22301 (Business Continuity Management System), ISO 37001 (Anti-bribery Management System), and ISO 45001 (Safety and Health Management System). We will continue our efforts for continuous quality improvement in accordance with the principles of the quality management system and strive to realize the value of promoting human health and welfare by providing patients with medicines that are guaranteed for high levels of quality, efficacy, and safety.

ISO International Standard Certification in 5 Areas

ISO 9001	ISO 14001	ISO 22301	ISO 37001	ISO 45001
Quality Management System	Environmental Management System	Business Continuity Management System	Anti-bribery Management System	Safety and Health Management System

Creating Customer Value

Classification of Customer Types

Celltrion's customers are managed according to the characteristics of products and classification of the domestic and overseas markets. Regarding biopharmaceutical sales, a major revenue stream, Celltrion Healthcare has exclusive overseas sales rights, while Celltrion Pharm owns domestic sales rights. Celltrion Healthcare's overseas sales of biopharmaceuticals are made directly or indirectly to global pharmaceutical companies, including Pfizer and Teva, in more than 110 countries through its regional business units. Celltrion Pharm's domestic biopharmaceuticals are sold and distributed through wholesale and retail companies including Geo-Young, Bulim Co., Ltd., and Namkyung Korea Co., Ltd. In addition, we are operating a CMO business and supplying drug substances through a production service contract with Teva.

2002 BIO USA

Vitalizing Customer Communication

Celltrion has established an ethical advertising and marketing policy to provide objective and reliable information on products and services, as well as conduct direct and indirect activities related to promotion and sales, and utilizes its owned media, such as the official website and social media channels, for smooth and prompt communication with customers. We share company overviews, the latest news, and financial information on our official website, and operate customer service communication channels tailored to the needs of each stakeholder, such as investor inquiries, recruitment inquiries, and complaints regarding products. In addition, we communicate with customers through official social media channels such as corporate blogs, Instagram, Facebook, and YouTube to share news of our social contribution, ESG, and corporate culture activities.

Moreover, medical practitioners recognized the excellence of our products when we disclosed the results of clinical trials at conferences in the US and Europe. We continue to inform shareholders and investors regarding new developments through press releases. Since 2010, Celltrion has participated in 'Bio USA,' the world's largest business conference for the pharmaceutical industry, every year to communicate with customers. In 2022, we participated more in overseas exhibitions to communicate actively with global customers, engaging in partnering activities in various fields, from development of product and formulation to raw material procurement and CMOs. Through this, we were able to identify global technology trends and communicate actively with existing customers and potential partners. Celltrion will continue to strengthen its business capabilities and focus on leading global pharmaceutical trends.

Ethical Advertising and Marketing Policy →

Customer Inquiry Management and Responses

Process for Handling Complaints Regarding Product Quality

Celltrion runs a validated system for product quality control to manage information about product quality complaints in compliance with international regulations and guidelines. Country-specific quality complaints collected through various channels are forwarded to the Celltrion Quality Assurance Division. Product quality complaints are handled in the following order: initiating an investigation into highly possible and probable causes; improvement of identified causes; and notification to the customer. Actions are taken for matters that require improvement to resolve them rapidly. Complaints regarding product quality are monitored regularly through trend analysis, and we try to prevent consumer complaints and the recurrence of claims preemptively.

SOCIAL - 05

SOCIAL CONTRIBUTION

Celltrion is engaged in constant efforts to fulfill its responsibilities as a corporate citizen and realize the value of win-win cooperation.
In order to ease the difficulties faced by members of the local community, we carry out volunteer activities regularly and support food drives, donations of daily necessities, medical expenses support programs, and youth scholarship projects with the participation of employees.
We also promote open innovation projects to identify and support promising start-ups to realize shared growth goals.

Social Contribution Strategies

Social Contribution Strategies

Celltrion emphasized the value of shared growth when setting Vision 2030, and the same applies to our social contribution strategies. We established the Celltrion Welfare Foundation in 2006 using the first profits obtained from the CMO business, guided by the founder, Jungjin Seo's philosophy of social contribution, which states, "As a member of society, a company must fulfill its social responsibilities and grow together with society." The Foundation has been carrying out various CSR activities specially in Incheon and Chungcheongbuk-do where Celltrion is located, providing direct assistance to families in need through pocket money support for teenagers, as well as medical expenses, food, daily necessities, school expenses, and seasonal sharing projects. In addition, the Foundation continues initiatives such as volunteer activities joined by employees and matching employees with scholarship students.

Social Contribution Activities

Social Contribution Areas*

Community Support

- Food and daily necessity support for underprivileged classes with low-income
- Assistance with medical expenses
- Support with living expenses for single person households and early married families subject to probation
- Support for welfare organizations that provide food banks, free food service, etc.

Youth Scholarship Initiative

- "Pocket money" scholarships for middle and high school students
- Provide scholarships for students under the Guardian Program and Incheon National University students
- Provide separate scholarships by matching employees with outstanding students from low-income families

Employees' Volunteer Activities

- Seasonal sharing events

* Support local communities through the Celltrion Welfare Foundation established by Celltrion

Social Contribution Program

Finding Bio Startups

Celltrion is promoting collaboration with startups to realize the values of mutual growth and win-win cooperation, which are part of Vision 2030. Since 2020, we have participated in the Incheon Start-up Park Development Project[1] as a private operator to find, foster and collaborate with promising startups in the bio-healthcare sector. Over the two years after joining the project, we have pursued and reviewed more than 50 Open Innovation Projects based on our own technologies and business needs; and have achieved results by collaborating with startups to develop antibody-based new drugs and bio materials, parts, and equipment sectors.

In 2022, we selected 31 startups in the biotechnology field through the Incheon Startup Park Development Project and pursued and reviewed a total of 14 Open Innovation Projects. Among them, we provided support for Pinotbio (ADC[2] platform development), which was discovered and selected by Celltrion, to verify the efficacy of its ADC linker-payload platform technology for animals. With Pinotbio, we signed a technology licensing option worth up to KRW 1,776 billion related to Pinotbio's ADC linker payload, in addition to an equity investment, and joint research agreement in October 2022. A six-month demonstration test of a viral vector for cell line production was conducted jointly with BioDesign Lab. We provided support to Umtr in the demonstration test for a bottle-top filter over two years, resulting in improved technology and product quality levels. Celltrion is expanding its network at home and abroad to identify promising bio startups and developing its own program to provide customized step-by-step support for bio startups in their early phase. Efforts are being made to promote mutual growth and win-win cooperation by strengthening cooperation with the startups we are currently working with. Furthermore, we will strengthen cooperation with relevant organizations to further develop the bio startup ecosystem.

1) Lead: Ministry of SMEs and Startups, Organizer: Incheon Metropolitan City, Incheon Free Economic Zone Authority
2) Antibody-Drug Conjugate (ADC): a drug and a monoclonal antibody that was chemically combined using a linker. ADC binds to a specific protein or receptor on a particular cell, allowing the attached drug to enter the cell, killing the specific cell without harming others.

Supporting the Underprivileged

Celltrion cares about the lives of the underprivileged and runs projects to provide support with their livelihood, medical expenses, and tuition. We deliver food (rice, instant noodles, tuna, dried seaweed, etc.) to low-income families, such as those subject to welfare support programs, single parents, and multicultural families living in Incheon and Chungcheongbuk-do. We also provide tailored support for each family (essential electric appliances, formula/diapers, deposit to rent a house, etc.). As of 2022, we offered KRW 1 million per household for living expenses to 11 families of couples who got married early or were not married among families under the care of the National Probation Service. Through the Medical Expenses Support Program, we provided up to KRW 3 million for medical expenses related to tests and surgeries to underprivileged families living in Incheon and Chungcheongbuk-do who needed medical treatment. Furthermore, we provided pocket money scholarships of KRW 30,000 per month to middle school students and KRW 50,000 per month to middle and high school students for 12 months to children from low-income, underprivileged families in Incheon and Chungcheongbuk-do. In 2022, the scope was expanded to provide the benefit to 2,195 students from 327 schools (1,559 middle school students and 636 high school students). Furthermore, we also provided individual scholarships by matching our employees with youths, such as students from low-income families who achieved excellent academic performance.

Volunteer Programs

Celltrion delivers gifts during Lunar New Year, Family Month, Chuseok (Korean Thanksgiving), and Christmas to selected low-income families, such as the elderly living alone, single parents, and children from families without parents, and offers them kimchi during the kimchi-making season. During Chuseok (Korean Thanksgiving) in 2022, the employee volunteer program, which was suspended due to COVID-19, was resumed with employees participating in gift wrapping. In addition, we provide kerosene to low-income families that are having difficulty heating their homes. We will reach out in unison to more people from the underprivileged classes.

Supporting Welfare and Public Interest Organizations

Celltrion provides monthly food donations to social welfare institutions such as Food Bank and Youth Dream Market, and pays monthly food and utility bills for soup kitchens. In addition, we donate portable air conditioners and child diapers to welfare facilities such as residential facilities for people with disabilities and nurseries, and recently expanded our support projects by donating portable fire extinguishers worth KRW 22 million to a fire-prone facility (A campground under the jurisdiction of the Incheon Environment Corporation's Songdo office).

Sharing on Chuseok (Korean Thanksgiving)

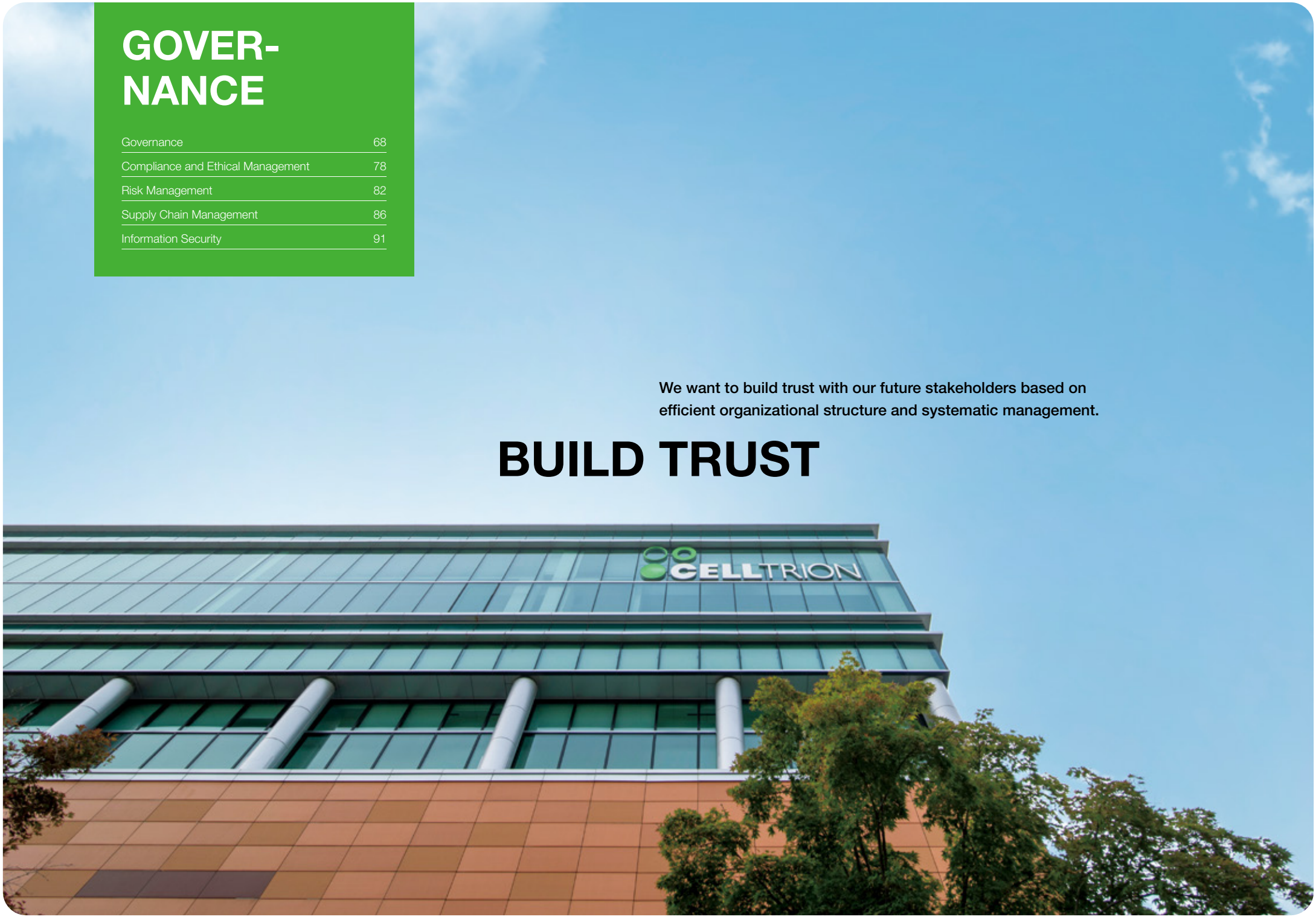
Sharing Kimchi

Donation of Portable Fire Extinguishers

GOVER-NANCE

We want to build trust with our future stakeholders based on efficient organizational structure and systematic management.

BUILD TRUST



GOVERNANCE - 01

GOVERNANCE

Celltrion is committed to protecting shareholders' rights and establishing transparent and sound governance.
The BoD (Board of Directors) operates under the principles of independence, expertise, and diversity and has designated the Audit Committee, Compensation Committee, Independent Director Candidate Recommendation Committee, and ESG Committee to oversee specific matters.
In particular, the ESG Committee was established in 2022 to meet the increasing demand for ESG information from key stakeholders and to ensure sustainable management, laying the foundations for ESG management activities in earnest.
We will continue strengthening corporate value through the checks and cooperation between the BoD and its Committees.

Shareholder Composition

Shareholder Composition (As of December 31, 2022)

Shareholders	No. of shares (common share)	Shares (%)
Celltrion Holdings	28,223,603	20.04
Celltrion Skincure	2,976,330	2.11
National Pension Service	10,706,253	7.60
ION Investment	6,087,954	4.32
BlackRock	3,506,225	2.49
Vanguard	3,289,287	2.34
Treasury Stocks	3,012,503	2.14
Others	83,003,055	58.96
Total	140,805,210	100.00

* There are no golden shares among government holdings.

Types of Shares and Voting Rights (As of December 31, 2022)

Type	No. of shares (common share)	Shares (%)
Preferred Stock	-	-
Common Stock - Voting Stock	137,792,707	97.86
Common Stock - Treasury Stock	3,012,503	2.14
Total	140,805,210	100.00

Related Party's Shareholdings (As of December 31, 2022)

Name	Relations	Number of shares	Share (%)
Celltrion Holdings	Affiliate	28,223,603	20.04
Celltrion Skincure	Affiliate	2,976,330	2.11
Hyoungki Kim	Executive member of an affiliate	142,157	0.10
Woosung Kee	Executive member	129,919	0.09
Heonyeong Yoo	Executive member of an affiliate	64,802	0.05
Others	-	566,407	0.40
Total		32,103,218	22.80

Returning Profits to Shareholders

Continuous R&D investment is key to our business competitiveness. We pay a stock dividend and an additional cash dividend of 2-5% annually, based on a combination of free cash flow (FCF), shareholder value enhancement, and the business environment, taking into account investments for the company's continued growth. We are committed to returning part of our profits to our shareholders through stock and cash dividends in 2021 and 2022. Dividend information is provided to shareholders on our website and through the electronic disclosure system (DART). With the aim of enhancing shareholder value, we made a total of three share repurchases in 2022 and two share repurchases in 1Q 2023. The total number of shares purchased during the period is 2,213,237, or 1.6 % of the total number of shares currently outstanding. We will continue our efforts to become a company that can grow with its shareholders and enjoys the profits generated during growth.

Profits Returned to Shareholders (key dividend indicators)

Division	Unit	2020	2021	2022
Stock dividends	%/share	2	2	4
Cash dividend per share	KRW	-	750	375
Total cash dividend	KRW 100 million	-	1,025	517
Market dividend payout ratio	%	-	0.4	0.2
Cash dividend payout ratio	%	-	17.68	9.61
Cash dividend yield	%	-	0.37	0.21

Annual General Meeting (AGM)

Strengthening Shareholder-friendly Management

Exercising Celltrion Shareholder Rights and Voting Rights

Celltrion carries out various activities to protect shareholders' rights and interests. We aim to strengthen transparent governance by communicating with shareholders through various channels while guaranteeing shareholders' rights following the Commercial Act in Korea. We respect the legitimate requests and opinions of shareholders, such as the exercise of voting rights and shareholder proposal rights, and have laid the foundation for sound governance through a transparent and reasonable decision-making process. We also conduct regular IR activities, AGMs, corporate presentations, and NDRs to strengthen communication with investors and stakeholders.

Notice of AGM

According to the Commercial Act, a company shall send the notice of a meeting two weeks before an AGM. Celltrion provides relevant information in compliance with the Commercial Act to ensure that investors have sufficient time to review the agenda. The notice of the meeting provides information on the venue, agenda, and details of the meeting to enhance investors' access to information, and the meeting is announced and notified through the company website, daily newspapers, and DART.

Shareholder Voting System

Celltrion ensures that shareholders can participate in decision making regarding important management matters by exercising their voting rights for the development and benefit of the company. One great example is the approval of the resolution for conditional delisting from the KOSDAQ and transfer of listing to the KOSPI in 2017, which were proposed following a request by minority shareholders to convene an EGM (Extraordinary shareholders' General Meeting). The shareholder proposal right stipulations under the Commercial Act allow eligible shareholders to express various opinions to the company. Based on the Commercial Act and our Articles of Incorporation, we grant shareholders one voting right per each share they own, depending on the number of shares they hold. As of the end of December 2022, there were 140,805,210 issued shares and 3,012,503 treasury shares. Therefore, the number of ordinary shares, excluding treasury shares, was 137,792,707. At Celltrion's AGMs, shareholders can vote in person, by proxy, or by recommending proxies. From the 29th AGM in 2020, we introduced an electronic voting system to enhance shareholders' convenience in exercising their voting rights. We started a system for them to participate through online webcasting (Video). At the 32nd AGM held in 2023, approximately 504 shareholders attended the meeting and 3,634 shareholders participated via webcasting.

AGM

AGM Held on Peak Days, Introduction of Written/Electronic Voting, Recommendation on Proxy Voting for Three Years

Category	32nd AGM	31st AGM	30th AGM
Peak Days	2023-03-24 2023-03-30 2023-03-31	2022-03-25 2022-03-30 2022-03-31	2021-03-26 2021-03-30 2021-03-31
Date of AGM	2023-03-28	2022-03-25	2021-03-26
Whether the meeting was held on a day other than peak days	○	×	×
Written voting	×	×	×
Electronic voting	○	○	○
Recommendation for proxy voting	○	○	○

Board of Directors

Composition and Roles of the BoD

Composition of the BoD

Celltrion's BoD consists of a minimum of three and a maximum of ten members, in accordance with Article 32 of the Articles of Incorporation and Article 4 of the BoD regulations. Article 383 of the Commercial Act stipulates that a company must have at least three directors. However, Celltrion decided to have a maximum of 10, considering the size of the company and the efficiency of meeting operations and decision-making. At the 2022 AGM, all independent directors, including a female independent director, were newly appointed. At the 2023 AGM, three inside directors were elected (Jungjin Seo was newly appointed, Woosung Kee and Hyukjae Lee were re-appointed). Amidst the recent global economic uncertainty, the BoD proposed a new candidate for the position of inside director, Jungjin Seo, the founder of Celltrion Group who elevated Celltrion into a global biosimilar company, as part of efforts to overcome the crisis and realign our strategy for the future. In addition, we proposed Woosung Kee, who has served as the CEO of Celltrion and has a deep understanding of the pharmaceutical and biotechnology industry and the ability to establish the company's vision and present strategies in line with industry trends; and Hyukjae Lee, who has led the company's pipeline development based on his practical experience in various fields and stable leadership. The BoD comprises nine members, including independent directors and inside directors. The appointed directors are committed to supporting the company's continuous growth and enhancing the value for all stakeholders through fair and reasonable decision-making.

BoD Competency Evaluation

Category	Jungjin Seo	Jinseok Seo	Woosung Kee	Hyukjae Lee	Younghyeh Ko	Keunyoung Kim	Daehyun Yoo	Soonwoo Lee	Jaesik Lee
Industry /Managementt	○	○	○	○					
Accounting/Tax									○
Finance								○	
Medicine					○		○		
Economy/ Society						○			

Agenda Items and Approval at the 32nd AGM

Agenda Items	Purpose of the Meeting	Approval
Item no. 1	Approval of the 32nd Financial Statements	Approval
Item no. 2 (2-1)	Appointment of a Director (Jungjin Seo, Inside Director)	Approval
Item no. 2 (2-2)	Appointment of a Director (Woosung Kee, Inside Director)	Approval
Item no. 2 (2-3)	Appointment of a Director (Hyukjae Lee, Inside Director)	Approval
Item no. 3	Approval of Remuneration Limit for Directors	Approval
Item no. 4	Approval of Granting Stock Options	Approval

Agenda Items and Approval at the 31st AGM

Agenda Items	Purpose of the Meeting	Approval
Item no. 1	Approval of the 31st Financial Statements	Approval
Item no. 2 (2-1)	Appointment of a Director (Keunyoung Kim, Independent Director)	Approval
Item no. 2 (2-2)	Appointment of a Director (Wonsuk Kim, Independent Director)	Approval
Item no. 2 (2-3)	Appointment of a Director (Daehyun Yoo, Independent Director)	Approval
Item no. 2 (2-4)	Appointment of a Director (Soonwoo Lee, Independent Director)	Approval
Item no. 2 (2-5)	Appointment of a Director (Younghyeh Ko, Independent Director)	Approval
Item no. 3	Appointment of Jaesik Lee (Independent Director) as an Audit Committee Member	Approval
Item no. 4 (4-1)	Appointment of an Audit Committee Member (Keunyoung Kim)	Approval
Item no. 4 (4-2)	Appointment of an Audit Committee Member (Wonsuk Kim)	Approval
Item no. 4 (4-3)	Appointment of an Audit Committee Member (Daehyun Yoo)	Approval
Item no. 4 (4-4)	Appointment of an Audit Committee Member (Soonwoo Lee)	Approval
Item no. 4 (4-5)	Appointment of an Audit Committee Member (Younghyeh Ko)	Approval
Item no. 5	Approval of Remuneration Limit for Directors	Approval
Item no. 6	Approval of Granting Stock Options	Approval

Category	Name	Date of appointment /expiry	Position	Key experience
Joint Chairperson (Inside Director)	Jungjin Seo (Male)	2023-03-28 2025-03-28	Joint Chairperson of the BoD	Chairman of the Celltrion Group
	JInseok Seo (Male)	2021-03-26 2024-03-26	Joint Chairperson of the BoD	Former Head of the Product Development Unit of Celltrion Former Senior Vice President of Management of Celltrion Skincure
Inside Directors	Woosung Kee (Male)	2014-03-27 2026-03-28	CEO	CEO of Celltrion Former Vice President of Nexol Biotech, Planning Office of Daewoo Motor Company
	Hyukjae Lee (Male)	2020-03-27 2026-03-28	Head of the Executive Management Unit	Currently Head of the Executive Management Unit, Celltrion
Independent Directors	Younghyeh Ko (Female)	2022-03-25 2024-03-25	A Member of the Audit Committee A Member of the Compensation Committee A Member of the Independent Director Candidate Recommendation Committee A Member of the ESG Committee	Head of Department of Pathology, Jeju Halla Hospital Visiting Professor, Department of Pathology, Korea National University Hospital Guro Former Visiting Professor, Department of Pathology, the Korean Society of Pathologists Former Vice President of the Korean Society of Pathologists Former Associate Professor, Samsung Medical Center, Sungkyunkwan University
	Keunyoung Kim (Male)	2020-03-27 2024-03-25	A Member of the Audit Committee A Member of the Compensation Committee A Member of the Independent Director Candidate Recommendation Committee Chairperson of the ESG Committee	Co-Chairperson, Incheon Citizens' Coalition for Economic Justice Former Vice President of Incheon Love Movement Citizens Council Former Head of Strategic Planning Office of Songdo Global Complex
	Daehyun Yoo (Male)	2020-03-27 2024-03-25	A Member of the Audit Committee A Member of the Compensation Committee Chairperson of the Independent Director Candidate Recommendation Committee A Member of the ESG Committee	Professor of Rheumatology, Hanyang University Former Director of Hanyang University Rheumatology Hospital Former Vice President, Asia Pacific League of Associations for Rheumatology Former President of the Korean College of Rheumatology
	Soonwoo Lee (Male)	2020-03-27 2024-03-25	A Member of Audit Committee Chairperson of the Compensation Committee A Member of the Independent Director Candidate Recommendation Committee A Member of the ESG Committee	Distinguished Professor of Business Administration, Halla University Former Chairman of the 17th Korea Federation of Savings Bank Former Advisor of Woori Card Former Chairman of Woori Financial Group Former President of Woori Bank
	Jaesik Lee (Male)	2020-03-27 2024-03-25	Chairperson of Audit Committee A Member of the Compensation Committee A Member of the Independent Director Candidate Recommendation Committee A Member of the ESG Committee	Certified Public Accountant (CPA) Adjunct Professor of Business Administration, Hanyang University Former Adjunct Professor of Business Administration, Daejeon University Former Vice Chairman and Advisor, Samjong KPMG Former Chairman of Korea Exchange Delisting Substantive Examination Committee

BoD Independence/Expertise/Diversity

In order to ensure the independence of the BoD, Celltrion restricts the selection of independent directors from the company's largest shareholders, who are persons with material interests in the company. Furthermore, in order to enhance transparency, when appointing independent directors, candidates are required to go through a fair recommendation process according to the Regulations of the Independent Director Candidate Recommendation Committee, and the appointment should be approved at the AGM. In the case of inside directors, candidates are recommended by the BoD. Directors are appointed for tenures up to three years and may be re-appointed by the AGM after their term expires. However, the term of independent directors cannot exceed six years. In order to maintain the independence of the BoD, it is stipulated that a majority of Celltrion's BoD shall consist of independent directors rather than inside directors. The BoD's chairman helps the board oversee corporate management more objectively, sets the atmosphere for effective discussions among directors, and sometimes acts as a mediator. In addition, independent directors exchange opinions freely on the overall management at each committee, including enhancing corporate value and building a sustainable management system. Due to the rapidly changing business environment, the BoD is required to make timely, strategic, and careful judgment, which necessitates high levels of expertise and diversity of directors. In order to maximize the growth and value of the company, we carefully appoint individuals who have a good understanding of the pharmaceutical industry and the company and also have a wide range of expertise and experience with responsibilities in various areas, including management, accounting, finance, medicine, economics, and society The Independent Director Candidate Recommendation Committee comprises experts in the pharmaceutical industry, finance, and accounting, and selects candidates as per strict criteria. Furthermore, the Committee oversees the execution of management's duties while providing sufficient support, such as responding to requests for information related to decision-making to ensure efficient decision-making. Celltrion's policy does not allow discrimination based on gender, race, nationality, ethnicity, or place of origin when appointing directors. Our BoD is comprised of directors with diverse backgrounds, experience, expertise, and capabilities. We are committed to putting diversity into practice. For instance, we appointed one female independent director in 2022.

Policy on the Independence of Independent Directors →

Policy on the Diversity and Expertise of the BoD →

Average tenure of the BoD
3.3years

BoD Activities

The BoD, Celltrion's highest decision-making body, conducts regular and extraordinary meetings. Article 6 of the BoD Regulations requires regular meetings to be held once a quarter and extraordinary meetings when necessary. Other details of the BoD operations are set out in our Articles of Incorporation and BoD Regulations.

In 2022, we held a total of 12 BoD meetings, with an average attendance rate of 95 % for directors at the meetings. The BoD performed deliberations on major management issues, including approval of agreements/transaction limits between affiliates, approval of the annual business plan, and acquisition of treasury shares. In addition to performing deliberations on agenda items, the BoD reports on important issues whenever necessary, such as the features of the industry and changes to the business environment, regulatory changes, and financial reporting to ensure effective business performance.

BoD's Activities in 2022

Date	Agenda Items	Attendance Rate
2022-01-10	[Item to be Approved] · Approval of treasury share buyback	88.9%
2022-02-16	[Item to be Reported] · Audit Report on Financial Statement and Business Report for the 31st fiscal period · Report on activities of the Internal Accounting Control System for the 31st fiscal period · Report on evaluation of activities conducted by the Internal Accounting Control System for the 31st fiscal period [Items to be Approved] · Approval of Financial Statements for the 31st fiscal period · Approval of Business Report for the 31st fiscal period · Amendment of the Regulations of BoD · Amendment of the Audit Committee Regulations · Revocation of stock option grant · Decision to convene the 31st AGM and approval of the 31st AGM agenda items · Decision to adopt the e-voting system	88.9%
2022-02-21	[Item to be Approved] · Approval of changes in agenda items submitted to the 31st AGM · Revocation of stock option grant · Approval of treasury share buyback	88.9%
2022-03-08	[Item to be Reported] · Audit Report on Financial Statement and Business Report for the 31st fiscal period [Items to be Approved] · Approval of adjustment on Financial Statements (consolidated/non-consolidated) for the 31st fiscal period · Approval of adjustment on Business Report for the 31st fiscal period · Approval of changes in agenda items submitted to the 31st AGM	88.9%
2022-03-25	[Items to be Approved] · Appointment of Compensation Committee members · Appointment of Independent Director Candidate Recommendation Committee members	90.0%
2022-04-20	Items to be Approved] · Approval of adjustment on Financial Statements (consolidated/non-consolidated) for the 26th to 31st fiscal periods	88.9%
2022-05-12	[Items to be Reported] · Report on 1Q22 closing accounts [Items to be Approved] · Approval of business plan for 2022	88.9%
2022-05-18	[Items to be Approved] · Approval of treasury share buyback	100.0%
2022-05-30	[Items to be Approved] · Approval of special consolation benefit payment	100.0%
2022-08-05	[Items to be Reported] · Report on 2Q22 closing accounts [Items to be Approved] · Divestment of Celltrion USA, Inc. · Revocation of stock option grant · Approval of the trademark transfer agreement on domestic cosmetics · Establishment of the ESG Committee and enactment of ESG Committee rules and regulations · Appointment of members of the ESG Committee	100.0%
2022-11-09	[Items to be Reported] · Report on 3Q22 closing accounts · Report on the ESG policy establishment plan [Items to be Approved] · Approval of the change of 2022 limit for contracts/transactions · Revocation of stock option grant	100.0%
2022-12-16	[Items to be Reported] · Report on the 2022 result for inspection of the adherence to the compliance guidelines [Items to be Approved] · Decision on stock dividend for the 32nd fiscal period · Decision on cash dividend for the 32nd fiscal period · Approval of change in development cost claim for CT-P59 phase III clinical trials · Approval of limit for 2023 contracts/transactions pursuant to the Korean Commercial Code · Approval of limit for 2023 credit grants for related parties pursuant to the Korean Commercial Act · Approval of payment of contributions to group companies for the 2022 KLPGA Celltrion Queens Masters tournament · Approval of plans for 2023 Occupational Safety and Health Plan	100.0%

BoD Training and Assessment

Celltrion invites specialists and experts by area to provide training at the request of directors or when the company deems it necessary to ensure the smooth performance of the BoD's duties. In addition, for the effective performance of duties, important issues such as changes in the nature of the industry and the company's business environment and changes in regulations are reported when necessary, and materials such as management issues and agenda information are provided when the need arises.

We assess the performance of registered directors, excluding independent directors, as a basis for compensation. For inside directors, we use quantitative assessment indicators such as sales, operating profits, and rate of achieving the production target to conduct a multifaceted assessment in terms of business performance, special performance, and organizational management performance. We do not conduct internal or external assessments for independent directors, but we are considering assessments based on internal criteria such as expertise, attendance rate, and independence.

Training for Independent Directors in 2022

Date	Training Topic	Purpose	Method
2022-04-04	Introductory Training	Introductory training for the Audit Committee	Online
2022-08-05	Prohibition on the Use of Undisclosed Material Information	Training on Unfair Transactions under the Financial Investment Services and Capital Markets Act	Face-to-face
2022-10-26	Anti-bribery Management System (ISO37001) at a Glance	Compliance and Ethics Training	Online
2022-12-28	Internal Accounting Control System	Implementation of the Consolidated Internal Accounting Control System in 2023	Online

Remuneration Criteria for Directors

Category	Payment Criteria
Inside Directors	· Paid within the limit set by the AGM, based on internal standards such as criteria for determining executive salary and comprehensively reflecting other matters.
Independent Directors	· Payment level varies in consideration of integrity, fairness, expertise and the level of remuneration in similar industries, within the limit set by the AGM. · There are no separate performance-based pay and stock option awards tied to business performance.

Board Committees

Operation of Board Committees

Board Committees

Celltrion has established four Board committees: the Audit Committee, which performs the roles and functions related to internal control, including approval and reporting of mandatory items, as well as reporting of non-financial incidents; the Independent Director Candidate Recommendation Committee, which recommends candidates for the appointment of independent directors and conducts substantive screening of candidates in accordance with the Commercial Act and related laws; the Compensation Committee, which is established to ensure objectivity and transparency in determining the remuneration for registered directors; and the ESG Committee, which aims to realize long-term sustainable growth by strengthening ESG management covering the areas of environment, society, and governance. Each Committee has established and complies with its respective committee rules to ensure transparency in its operations. In addition, the ratio of appointment of independent directors for each Committee is specified in the relevant committee rules, and the independence of each committee is guaranteed by maintaining the ratio of independent directors above the required level.

Category	Composition	Purpose of Establishment, Authorities, etc.
Audit Committee	Five independent directors	· Purpose of establishment (Article 1 of the Audit Committee Regulations) - Proper and effective performance of audit duties · Authority (Article 6 of the Audit Committee Regulations) - Auditing the execution of directors' duties - Requesting directors, etc., to report on business and investigating their activities at the company and their assets, etc.
Compensation Committee	Five independent directors	· Purpose of establishment (Article 1 of the Compensation Committee Regulations) -To ensure objectivity and transparency in the process of determining directors' remuneration · Authority (Article 8 of the Compensation Committee Regulations) - Pre-deliberate and approve the limits of HR/remuneration to be submitted to the AGM for final approval - Review and approve the individual remuneration for directors (inside directors, independent directors, and other non-executive directors) - Review and approve the performance-based remuneration of the CEO
Independent Director Candidate Recommendation Committee	Five independent directors	· Purpose of establishment and authority (Article 3 of the Independent Director Candidate Recommendation Committee Regulations) - The authority to recommend independent directors to be appointed at the AGM
ESG Committee	Five independent directors	· Purpose of establishment and authority (Article 3 of the ESG Committee Regulations) - Implement strategic and systematic management of environmental, social, and governance issues to achieve long-term sustainable growth - Provide advice and review the company's sustainability strategy and ESG direction

Audit Committee

The Audit Committee oversees the work of the directors and reviews and performs deliberations on major issues so that the company can enhance corporate and shareholder value continuously through reasonable decision-making. The members of the Audit Committee are all independent directors appointed by a resolution at the AGM, and have the expertise - two of them are accounting and financial experts - including the chairperson of the Audit Committee. The Committee's operations, authorities, and responsibilities are specified in the Audit Committee Regulations, and the committee performs its duties accordingly. Its major activities are disclosed in the annual report

Activities of the Audit Committee in 2022

Date	Agenda Items	Attendance Rate
2022-02-16	[Items to be Reported] · Report on activities of the Internal Accounting Control System for the 31st fiscal period · Report on Financial Statements (consolidated/non-consolidated) for the 31st fiscal period · Report on Business Report for the 31st fiscal period · Report on internal audit of Financial Statements for the 31st fiscal period · Confirmation of submission of the 31st (consolidated/non-consolidated) Financial Statements to the FSC and independent auditors · Evaluation on validity of the Audit Committee Regulations · Report on the 4Q21 report status of the whistleblowing program [Items to be Approved] · Submission of the evaluation report on the internal accounting control system for the 31st fiscal period · Submission of the Independent Auditor's Report for the 31st fiscal period (Financial Statements and Business Report) · Amendment of the internal audit regulations · Review of agenda items submitted to the 31st AGM	80.0%
2022-02-21	[Items to be Approved] · Approval of changes in agenda items submitted to the 31st AGM	80.0%
2022-03-08	[Items to be Reported] · Report on adjustment on Financial Statements (consolidated/non-consolidated) for the 31st fiscal period · Report on adjustment on Business Report for the 31st fiscal period · Additional report on the internal audit of Financial Statements for the 31st fiscal period [Items to be Approved] · Submission of Independent Auditor's Report for the 31st fiscal period (Financial Statements and Business Report) · Approval of changes in agenda items submitted to the 31st AGM	80.0%
2022-03-25	[Items to be Reported] · Report on 2022 plans of the Internal Audit Department activities and evaluation of the Internal Accounting Control System · Report on evaluations for audit activities by independent auditors in 2021 [Items to be Reported] · Appointment of the Audit Committee Chair	100.0%
2022-04-20	[Items to be Reported] · Report of adjustment on Financial Statements (consolidated/non-consolidated) for the 26th to 31st fiscal periods · Additional report of internal audit of Financial Statements (consolidated/non-consolidated) for the 26th to 31st fiscal periods	80.0%
2022-05-12	[Items to be Reported] · Report on 1Q22 closing accounts · Report on internal audit on Financial Statements for 1Q22 · Report on the 1Q22 report status of the whistleblowing program · Report on evaluation of independence and operation of the Internal Audit Committee in 2021	80.0%
2022-08-05	[Items to be Reported] · Report on the Internal Control Improvement Plan related to supervisory measures stipulated by the Securities and Futures Commission · Report on 2Q22 closing accounts · Report on internal audit of Financial Statements for 2Q22 · Report on the status of the internal reporting system in 2Q22	100.0%
2022-11-09	[Items to be Reported] · Report on the appointment of independent auditor · Report on 3Q22 closing accounts · Report on regular business audit · Report on internal audit of Financial Statements for 3Q22 · Report on status of 3Q22 internal reporting system	100.0%
2022-12-16	[Items to be Reported] · Report on the evaluation of the independence and operation of the Internal Audit Department in 2022 · Report on the evaluation and adjustment of remuneration for the head of the Internal Audit Department in 2023 · Report on the independent auditor's audit activity plan (remuneration, manpower, time) for 2023	100.0%

Compensation Committee

The Compensation Committee was established to ensure objectivity and transparency in determining the remuneration for registered directors and is composed entirely of independent directors. The committee conducts independent reviews and approves the limits of inside directors' remuneration (including salary and severance pay, fringe benefits, etc.), the individual remuneration for registered directors, and the performance-based payment for the CEO and inside directors, which are presented to the AGM.

Activities of the Compensation Committee in 2022

Date	Agenda Items	Attendance Rate
2022-01-10	· Approval of individual remuneration for registered directors	80.0%
2022-02-16	· Proposed limit (tentative) to directors' remuneration	80.0%
2022-03-25	· Approval of the appointment of the head of the Compensation Committee · Approval of individual remuneration for registered directors	100.0%
2022-04-20	· Method of determining individual remuneration for the CEO	80.0%

Independent Director Candidate Recommendation Committee

In accordance with applicable laws and regulations, Celltrion proposes candidates for the position of independent directors at the AGM following recommendation by the Independent Director Candidate Recommendation Committee and deliberation by the BoD. To ensure independence, our Independent Director Candidate Recommendation Committee has been composed entirely of independent directors since the 2023 AGM, which is stricter than the legally required composition of the committee. The Independent Director Candidate Recommendation Committee is operated to ensure fair recommendation of candidates for the position of independent directors. The committee manages the process of nominating and electing candidates by reviewing their areas of expertise and personal capabilities in a comprehensive manner while ensuring compliance with legal requirements concerning the selection of independent directors. We conduct careful reviews of candidates' background to prevent the appointment of independent directors with a history of damaging corporate value or infringing shareholders' rights and interests.

Activities of the Independent Director Candidate Recommendation Committee in 2022

Date	Agenda Items	Attendance Rate
2022-02-16	· Approval of candidates recommended for the position of independent directors	87.5%
2022-03-25	· Approval for appointment of the head of Independent Director Candidate Recommendation Committee	88.9%

ESG Committee

Celltrion recognizes the importance of ESG management in light of the strengthening of ESG regulations and the increasing demand for ESG from major stakeholders such as investors, rating agencies, and customers. We have practiced ESG management in earnest since 2022. In August 2022, we established the ESG Committee, comprised of all independent directors, under the BoD to ensure independence and transparency in ESG management. The ESG Committee reviews the direction of the company's ESG strategy and plays a role in the strategic and systematic management of the environmental, social, and governance sectors so that the company can achieve long-term sustainable growth. It is also responsible for performing deliberations and making decisions on tasks, plans to be pursued, and major policies in ESG areas such as environment, safety, society, customer value, shareholder value, and governance. In the future, we plan to expand the BoD's sustainability responsibilities and roles while continuing discussions on major ESG-related issues to enhance long-term corporate value.

Activities of the ESG Committee in 2022

Date	Agenda Items	Attendance Rate
2022-08-05	· Approval for appointment of the chairperson of the ESG Committee · Approval of the ESG Management Plan	100.0%
2022-11-09	· Approval for establishing ESG policies	100.0%

Appraisal and Remuneration of the BoD

Fair Performance Appraisal and Remuneration

The Compensation Committee determines directors' remuneration within the limits of executives' remuneration approved by the AGM. Celltrion discloses the directors' remuneration through annual reports. Inside directors' performance is appraised in consideration of the company's business performance and organizational management performance, etc.; and their annual remuneration amount is determined in accordance with the standards for executives' remuneration.

We are considering the evaluation of independent directors based on internal criteria such as expertise, meeting attendance rate, and independence. We set their remuneration levels based on their expertise and the level of remuneration in the same industries.

In addition, we grant stock options to eligible employees after deliberations based on Article 11 of the Articles of Incorporation and internal regulations, and submit a proposal to the AGM to approve the granting of stock options but do not grant them separately to independent directors.

Amount Approved at the AGM

Category	Person	Amount Approved at the AGM	Note
Registered directors	9	KRW 9,000 million	

Remuneration (As of December 2022)

Category	Person	Total amount of remuneration	Average remuneration per person
Registered directors (Except for independent directors and members of the Audit Committee)	4	KRW 4,169 million	KRW 1,042 million
Audit Committee members (All are independent directors as well)	5	KRW 363 million	KRW 73 million

* Total remuneration includes remuneration for one independent director (Won-suk Kim) who retired on April 1, 2022, and one independent director (Young-hyeh Ko) appointed on March 25, 2022.

Average Pay for the CEO Compared to Employees' Wages

Category	Units	2022
Total remuneration for the CEO	KRW million	1,660
Average employee remuneration		86
Median employee remuneration		74
Average (mean) pay for the CEO compared to employees' wages	Times	19
Average (median) pay for the CEO compared to employees' wages		22

* The average employee remuneration mentioned above is the sum of the monthly average wages.
** The median employee remuneration mentioned above is the remuneration for the person in the middle of the descending order of employee remuneration.
*** Following the announcement of accepting the minimum wages, it was decided through the Compensation Committee that the remuneration for CEO Woosung Kee would be recognized as an expense only and deferred in full without even paying the minimum wages until the stock price reaches a certain level. Accordingly, there was no remuneration received by the CEO from April 2022 after the 31st AGM until the date of publishing the ESG Report.

GOVERNANCE - 02

COMPLIANCE AND ETHICAL MANAGEMENT

As society pays closer attention to corporate ethics, related laws and regulations have become stricter and it has become more important than ever to implement compliance and ethical management.
Celltrion implements compliance and ethical management to help employees understand the standards for correct value judgments in their work and daily lives and to establish a healthy corporate culture.
We have also established a compliance management system to manage possible risks and support and strengthen compliance activities.

Compliance and Ethical Policies

Compliance Guidelines

Celltrion has established and implemented the Compliance Guidelines through a resolution of the BoD to ensure compliance with laws and regulations, establish proper business ethics, and promote fair and transparent business activities. The Compliance Guidelines serve as the basic regulation for compliance management and apply to the company's business and its employees' activities in their entirety. In 2022, we kept revising and improving related regulations to strengthen compliance management related to promotional and sales activities and anti-corruption. For instance, we newly established the Ethical Advertising and Marketing Policy and the Anti-Corruption and Anti-Bribery Policy after obtaining approval from the ESG Committee.

Anti-Corruption and Anti-Bribery Policy →

Code of Ethics

Celltrion has established an Ethics Charter, which serves as a standard for proper conduct and value judgment, and an Ethics Policy and Code of Ethical Conduct, which set specific rules and standards of conduct and are mandatory for all employees to follow.

Ethics Charter

Spare no efforts to become a trusted company	Create value for customers	Maximize the profits for shareholders	Implement management that respects humans	Perform social responsibilities

Compliance and Ethical Management System

Celltrion has formed the Compliance Team, a dedicated compliance and ethical management body, under the Corporate Sustainability Division directly under the CEO, and has appointed a Compliance Officer who meets the legal and independence requirements after obtaining approval from the BoD. The Compliance Officer oversees activities of the Compliance Team and is supported by the Legal Department, and performs all aspects of compliance and ethical management, including compliance checks and reporting of results, implementation of related training, review of board agendas, and decision-making support. Celltrion manages compliance risks in key management areas such as anti-corruption, fair trade, intellectual property, security of personal information, human resources, environmental safety, and healthcare, and is strengthening its management system by introducing the ISO 37001 (Anti-bribery Management System).

Compliance Risk Management

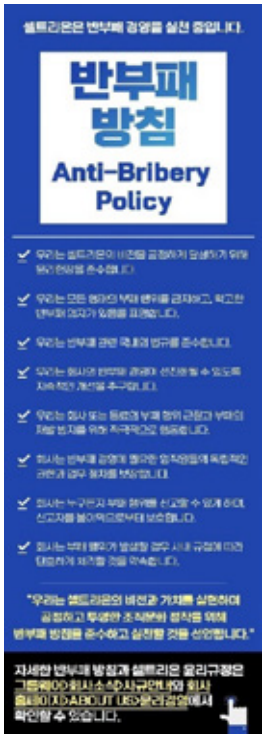
For systematic and effective management of compliance and ethics, Celltrion has established and operates a compliance risk management process consisting of five steps: identification of risk, assessment, mitigation planning, monitoring, and reporting. In addition, the Compliance Team focuses on managing key risks by running the Internal Transaction Review System, an IT system that monitors internal transaction risks continually.

Risk Management Process

❶ Identification of Risk	· Identify key trends and compliance issues · Categorize risks and update the list of categories according to relevant regulations
❷ Risk Assessment	· Rate risks depending on impact and frequency · Select key risks to manage
❸ Risk Mitigation Planning	· Establish a risk mitigation plan for each relevant legal area · Review and update the risk mitigation plan regularly
❹ Risk Monitoring	· Check compliance status with a checklist by legal area · Monitor the status of key risk responses and management
❺ Risk Reporting	· Report on the status of compliance risk management on a regular basis · Report to the BoD on the results of compliance checks conducted by the Compliance Officer

Anti-bribery Management System

Celltrion is striving to build an ESG management system and upgrade its compliance system to meet the growing demand for compliance and ethical management from stakeholders. In 2021, we established an Anti-bribery Management System for all of Celltrion's domestic business sites based on the ISO 37001 international standard. We also obtained certification by the British Standards Institution (BSI), a global certification organization, in December of the same year. We manage risks effectively by identifying business-related stakeholder issues for all departments, identifying and assessing bribery risks and establishing management measures, taking actions against major bribery risks, and conducting due diligence. In 2022, we conducted a post-audit to verify the effectiveness of our Anti-bribery Management System certification. In the future, we will continue improving our Anti-bribery Management System and strengthen monitoring to prepare proactively for growing bribery risks due to various internal and external factors.



Anti-bribery Promotional Materials and Campaigns

Compliance Training and Culture

Celltrion runs a systematic training program categorized into basic training, advanced training, specialized training, and Anti-bribery Management System training, depending on the purpose and target, to prevent illegal and fraudulent acts at work while minimizing risks. In addition, we are introducing measures to raise employees' compliance and ethical awareness and internalize compliance culture, such as collecting compliance pledges from employees every year, publishing compliance newsletters regularly, producing and distributing Anti-bribery PR materials, and conducting campaigns.

Compliance Training Hours
2,848 hours

Compliance Training Participants
2,684 employees

Category	Objective	Target	Training hours/ Participants in 2022
Basic compliance training	Raise basic awareness regarding compliance and ethics	All employees	2,170 hours / 2,170 persons
Advanced compliance training	Understand business-related regulations	Departments related to key risks	463 hours / 409 persons
Specialized compliance training	Reinforce compliance competency	Compliance and Legal Departments	122 hours / 43 persons
Anti-bribery Management System training	Reinforce anti-bribery competency	Person in charge of assessing bribery risks	93 hours / 62 persons

Compliance Training

Compliance Newsletters

Reporting Compliance and Ethics Violations

Celltrion runs an internal reporting system to prevent illegal and fraudulent acts related to the company's business, such as improper receipt of money and goods, unfair trade behaviors, and infringement of trade secrets, and to practice compliance and ethical management. Anyone who becomes aware of illegal and unfair business activities by employees or violations of the Code of Ethical Conduct can report anonymously to the Internal Reporting Manager. The informant's identity and the details of the report are kept confidential to ensure that the informant does not suffer any disadvantage due to the report. Upon receipt of such a report, we carry out an investigation and take appropriate measures, including disciplinary action depending on the severity of the case, and report the details and the investigation results to the Audit Committee every quarter.

Reporting Compliance and Ethics Violations

What Should Be Reported

- Business-related bribery or improper solicitation
- Conflicts of interest against company interests
- Embezzlement of company funds or breach of trust
- Use or leakage of internal information
- Unfair trade behaviors, such as preferential treatment, discrimination, or collusion against certain companies
- Violation of accounting laws and accounting standards
- Violation of service regulations, such as negligence
- Other illegal or unfair acts

How to report

- E-mail: InternalAudit@celltrion.com
- Post: Internal Reporting Manager, Celltrion 23, Academy-ro, Yeonsu-gu, Incheon
- Company website or internal groupware

Reporting and Disciplinary Actions

Reporting and Receipt (Unit: case)

Category	2019	2020	2021	2022
Reporting (Company/Employee)	9	29	35	**18**

Disciplinary Actions Taken (Unit: case)

Category	2019	2020	2021	2022
Total no. of corrective actions taken	6	27	30	**15**
Minor disciplinary actions	3	14	16	**5**
Serious disciplinary actions	3	13	14	**10**

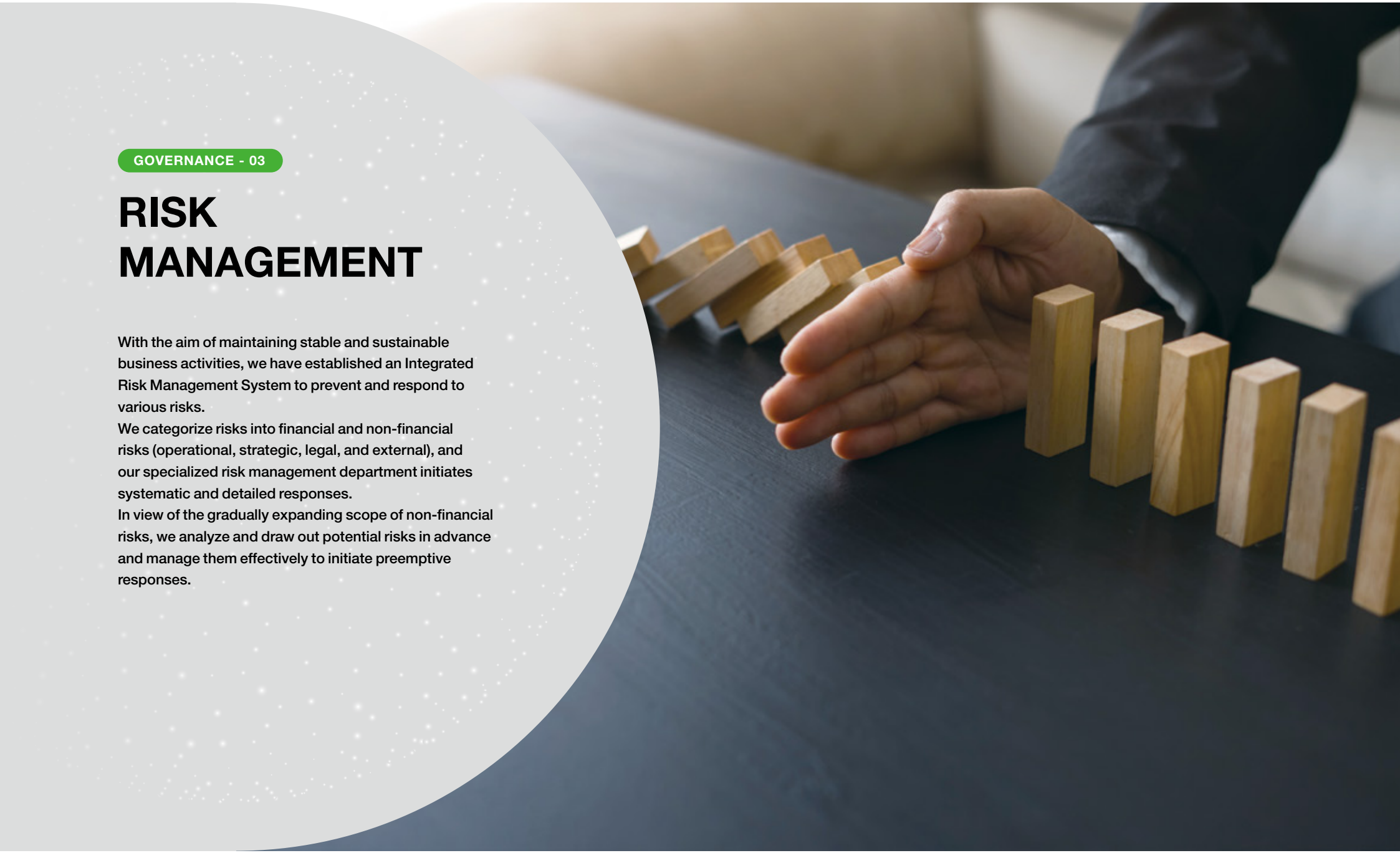
Reason for Disciplinary Actions (Unit: case)

Category	2019	2020	2021	2022
Negligence	1	13	6	**6**
Conflicts of interest	0	0	0	**0**
Bribery	0	0	0	**0**
Embezzlement of assets	0	0	1	**0**
Workplace harassment/Sexual harassment	2	6	4	**5**
Violation of information security	1	1	7	**1**
Other ethics violations	2	7	12	**3**

GOVERNANCE - 03

RISK MANAGEMENT

With the aim of maintaining stable and sustainable business activities, we have established an Integrated Risk Management System to prevent and respond to various risks.
We categorize risks into financial and non-financial risks (operational, strategic, legal, and external), and our specialized risk management department initiates systematic and detailed responses.
In view of the gradually expanding scope of non-financial risks, we analyze and draw out potential risks in advance and manage them effectively to initiate preemptive responses.



Risk Management System

Integrated Risk Management Organization/Process

In order to maintain stable and sustainable business activities, Celltrion has established an Integrated Risk Management System with capabilities to prevent and respond to various risks. Various risks that may arise during business activities are classified into financial and non-financial risks for professional management, and the departments in charge of each type perform primary risk monitoring and control activities. At this time, each department identifies possible issues promptly during risk response and shares them with the risk management department, which reports to the CEO and the BoD when company-wide decisions are needed to prevent or control such risks, and manages them separately.

On the other hand, financial risks are mainly managed through various control activities under the Internal Accounting Control System. Non-financial risks are managed through the ESG Committee according to the materiality of each issue to ensure a macro-systematic response. This reflects our internal decision that, as the importance of 'social capital' and 'ESG management' has increased in recent years, the scope of non-financial risks and the corresponding responses need to be upgraded. We will continue improving and strengthening our Integrated Risk Management System to respond more actively to various risks.

Celltrion's Integrated Risk Management Organization

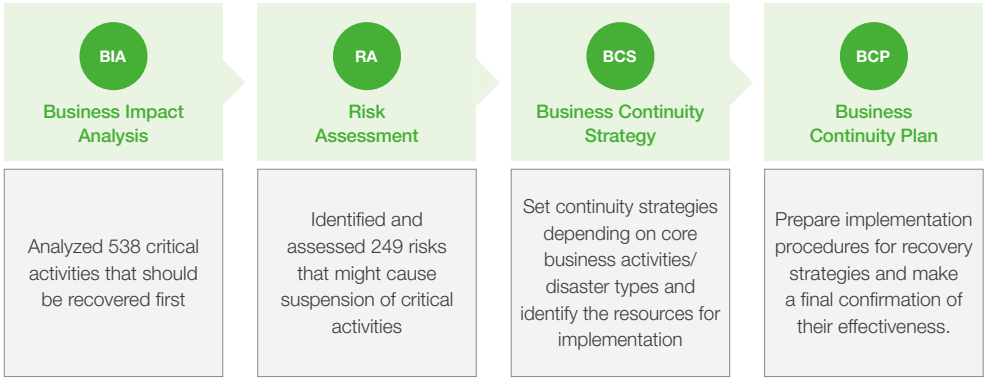
Internal Accounting Control System and Internal Control

Celltrion strives not only to increase the reliability of its disclosed financial statements but also to prevent the occurrence of risks through compliance with laws, regulations, and policies related to our business activities. For this, we have implemented a high-level Internal Accounting Control System, and introduced measures such as the division of unit tasks, physical control, and management of system access rights, to establish immediate problem-solving procedures if internal control is insufficient to analyze the possibility of various risks and to block risks in advance. In addition, we subdivide internal control activities into general IT control, process control, and enterprise-wide control activities to enhance the effectiveness of risk reduction measures for each task. The department regularly identifies and evaluates accounting fraud risks that could lead to the provision of erroneous information in the financial statements, and its operational effectiveness is thoroughly verified by independent auditors every year.

ISO 22301 (Business Continuity Management System) Certification

Celltrion has established and certified a Business Continuity Management System (BCMS) under the ISO 22301 international standards to ensure that we can normalize our business and produce medicines stably within a short period in the event of various crises such as natural disasters, fires, supply chain disruptions, and wars. As a result, we have identified various types of disasters as well as core businesses activities that require continuity, and established a Business Continuity Plan (BCP) to minimize the impact on us as well as our investors, customers, and suppliers. We plan to strengthen our inspection and surveillance system and continue monitoring internal and external crisis factors for stable development and production of pharmaceuticals.

Celltrion's BCMS Operation



Risk Management by Type

Identification and Management of Major Risks for Celltrion

Celltrion manages financial and non-financial (operational, strategic, legal, and external) risks according to various risk categories and types surrounding its business activities. For systematic risk management, departments in charge of each type of risk are designated, and the results of assessment on major risk categories and response strategies are reported to the CEO, Audit Committee, or ESG Committee, and finally to the BoD.

Category	Risk Type	Definition of Risks	Actions
Financial Risk	Liquidity Risk	Risk of inability to repay debt in time due to insufficient funds	· Analyze cash flow and make responses after forecasting short, mid and long-term balance of payments
	Foreign Exchange Risk	Risk of monetary losses due to currency fluctuations	· Mid and long-term balance of payments planning and management for major foreign currencies (USD, EUR) · Prohibit speculative foreign exchange transactions that are not based on real demand and potentially risky transactions involving derivatives
	Interest Rate Risk	The risk of causing interest expense and loss of interest income due to changes in interest rates	· Constant monitoring of factors driving interest rates · Analyze fixed and variable interest rates by period and apply interest rates on borrowings and manage them to minimize net interest costs
	Credit Risk	The risk of failure to collect on a receivable due to deteriorating credit rating or defaults of the counterparty	· Set a bad debt allowance based on each counterparty's financial condition, credit rating, and past transactions.
		The risk of inability to recover deposits due to financial institutions' credit risk	· Manage most cash by placing it in a prime bank's principal-protected product.
Non-financial Risk	Operational Risk	The risk of worker safety and health being compromised by hazards in the workplace.	· Established an ISO 45001 system (Safety and Health Management System) to keep workers safe against occupational accidents and various dangers and reduce economic losses due to the accidents · Pursue policies to promote workers' engagement and support for occupational accident prevention activities
		Risks of unlawful collection, use, disclosure, leakage, misuse, and distribution of personal information without legal grounds	· Appointed the Chief Privacy Officer (CPO); and set and implemented company-wide personal information security plans · Destroy personally identifiable information on PCs used for work and in the cloud through an identification information cleaning system
	Strategy Risk	The risk of failure to identify and sustain growth drivers in a rapidly changing and increasingly competitive global pharmaceutical market.	· Identify and manage mid to long-term growth drivers based on advice and deliberation by the Investment Committee consisting of experts in different areas (technology, legal affairs, finance) for large-scale facilities, product development, new business, and M&A investments.
Non-financial Risk	Legal Risk	Risk of financial and non-financial losses due to violation of various legal and institutional provisions such as enactment and amendment of laws, precedents, regulations, and contractual acts.	· Constant monitoring of domestic and foreign laws and regulations · Introduced an enterprise-wide compliance system for regular risk checks and monitoring in seven areas
		Risks that have a negative impact on our reputation due to corruption or criminal incidents or financial risks that cause financial losses due to legal violations.	· Built an Anti-Bribery Management System (ISO37001) to prevent and respond appropriately to bribery risks. · Identify and assess bribery risk annually and report the results to the BoD.
	External Risk	The risk of failure to meet stakeholder requirements related to ESG against the growing social interest in ESG management.	· Established an ESG management governance system by creating a dedicated department, ESG TF, and the ESG Committee. · Diagnose Celltrion's ESG management situations considering global initiatives and stakeholder requirements and identify improvement tasks by area
		Risk of foreign policy and regulatory changes that have a negative effect on the biotech industry	· Monitor policy and regulatory trends in major countries, such as the US and EU, related to the biotech industry

Tax Risk Management

Tax Risk Management Activities

Celltrion complies with national tax laws and fulfills its tax filing and payment obligations in good faith, in line with its core value of "complying with principles and valuing faith and trust." We preserve documentary evidence of transactions. We maintain a transparent relationship with tax authorities by complying with payment deadlines and submitting data promptly and transparently when requested. For domestic transactions, we maintain arm's-length transaction prices for transactions with third parties and related parties following relevant laws. For international transactions, we comply with OECD's guidelines for transfer pricing based on expert advice to prevent global tax risks. Celltrion's dedicated tax department proactively monitors tax-related risks that may arise in business operations and makes decisions based on sufficient risk assessment and review following tax principles to prevent tax transaction risks. Furthermore, tax risks are prevented by reviewing, analyzing, and reporting on new tax interpretation cases and revised tax laws every year.

Tax Principles

· Comply with tax laws and regulations of each country
· Prohibit tax avoidance and exploitation of differences in tax laws between countries
· Adhere to arm's length pricing in related party transactions
· Manage global risk by filing BEPS reports
· Provide data transparently and promptly to tax authorities

Tax Risk Assessment

In order to ensure compliance with domestic and overseas taxation and reporting laws and regulations and fulfill its social responsibilities related to taxes, Celltrion established tax policies and makes every effort to prevent tax risks arising from its business activities. When making important business decisions, such as trading goods and services, acquiring shares, conducting international transactions, developing new businesses, and changing transaction structures, we review tax risks thoroughly in cooperation with internal organizations and external experts and reflect the results in our final decisions.

Tax Policy →

Management of Emerging Risks

Major Emerging Risks

Celltrion regularly monitors major emerging risks in each area necessary for management activities, identifies their impact on the business, and introduces proactive activities such as establishing response strategies and taking measures.

Major Risks	Background	Impact on Business	Strategies and Actions
Growing physical risk due to climate change Keywords · Climate change · Rising sea levels · Natural disasters · Supply chain	· The headquarters is located in a low-lying area with a distance of about 600 m from the coast and an altitude of about -3 m from sea level. · Major raw material and production equipment are sourced from 19 key overseas suppliers that have their headquarters in overseas countries. · Increasing natural disasters worldwide such as earthquakes, tsunami, and typhoons due to global warming and climate change	· Factory flooding and production disruption due to rise in sea level or tsunami · Destruction of facilities and production disruption due to typhoons, earthquake, etc. · Disruption of raw material supply and delays in production schedule from key suppliers due to natural disasters	· Established a Business Continuity Management System (ISO 22301) · Established a company-wide Supply Chain Management System · Drive the establishment of our own logistics chain
Deteriorating business viability due to excessive competition in the biosimilar sector Keywords · Biopharmaceuticals · Biosimilars · Pharmaceutical industry · Marketability	· The biosimilar market share went down with a combined revenue growth of approximately 10% for the first movers, including Celltrion, compared to the annual average growth rate (approx. 56%) for the market. · Continued growth of biosimilar latecomers and competing products, including conversion of major pharmaceutical companies to the biopharmaceutical business	· Intense price competition among biosimilars and reduction in pharmaceutical prices eroding profitability · Limited patient recruitment due to market entrance by latecomers in the biosimilar sector; increase in costs due to rising R&D costs · Reduced marketability of our products due to the advanced strategy of originators	· Product differentiation for improved convenience (e.g., Remsima SC) · Reduce R&D costs by strategic planning of clinical trials and approval · Platform development and expansion such as development of new medicine, microbiome, ADC, and bispecific antibodies
Increased risk of breach of national core technologies Keywords · Cyber terrorism · National core technologies · Protection of industrial technology · Information security	· The recent escalation of the U.S.-China technological rivalry has led to increased investment and activity in pre-empting advanced technologies in the short term. · Breaches continue because it is not easy to prove violations of the Act on Prevention of Divulgence and Protection of Industrial Technology. · Growing prevalence of cyberterrorism following the increasing pace of digital transformation across society.	· Leakage of national core technologies related to biopharmaceutical manufacturing, resulting in significant financial losses and weakened competitiveness. · Emergency suspension of drug production and business activities due to failure of IT systems · Various financial and operational risks for the recovery	· Designated a dedicated information security department and established a dedicated department to protect national core technologies · Strengthened the information leakage management system and established a national core technology protection system · Pursuing ISO 27001 (Information Security Management System)
Growing transition risk due to insufficient response to global eco-friendly regulations Keywords · Eco-friendliness · Emissions Trading Scheme · Carbon neutrality · Customers	· Potential reduction in GHG emissions and increase in trading prices as Nationally Determined Contributions (NDCs) are raised and new roadmaps established · EU confirms the introduction of the Carbon Border Adjustment Mechanism (CBAM) · EU industrial sector to reach 100 % auctioning by 2032	· Increased production costs, including the cost of purchasing carbon credits due to decreased quotas and increased trading prices. · Disruption of drug supply and sales and loss of market share due to non-compliance with global environmental rules and regulations such as the EU Supply Chain Act. · Damage to reputation among investors and other customers due to poor ESG ratings on environmental factors.	· Established an Environmental Management System (ISO14001) · Established a dedicated sustainability management department and strengthened climate change response · Promoting preemptive responses to carbon tax burdens (regular monitoring of legislation, and investigating transitional measures for applicable product groups)

GOVERNANCE - 04

SUPPLY CHAIN MANAGEMENT

As supply chain risks intensify amid the global economic uncertainty, it has become increasingly important to establish a stable supply chain.
In order to strengthen the sustainability of the supply chain, Celltrion is working to establish a responsible Supply Chain Management System and minimize risk to its partners through ESG-based supply chain evaluation.
In addition, we support our partners by conducting various win-win cooperation programs for shared growth with our partners.
Celltrion will maintain an organic and close relationship with its partners throughout the supply chain and secure competitive advantage through co-prosperity.

Supply Chain Management System

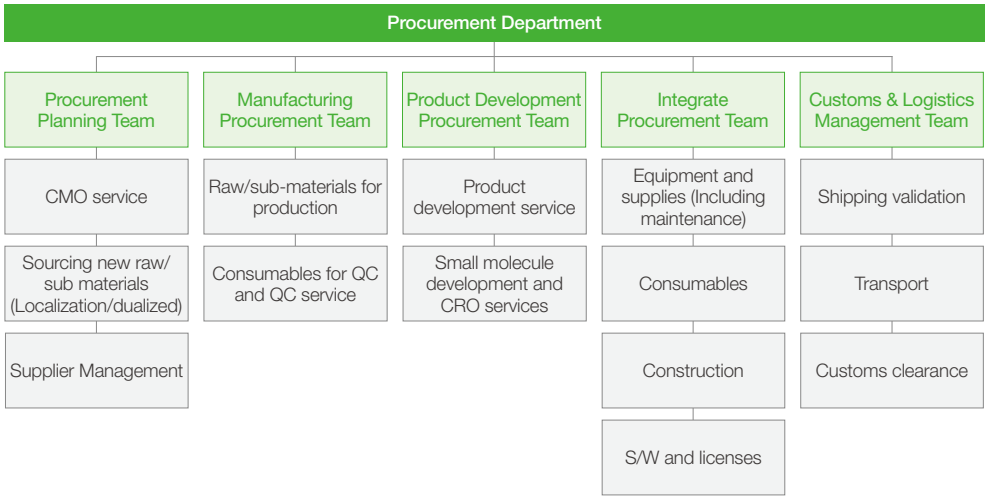
Suppliers' Operation Status

Celltrion defines suppliers as companies involved in its biopharmaceutical and small molecule development and production activities, and selects Tier 1 suppliers based on: 1) whether they are involved in the development/production of biopharmaceuticals and small molecules and 2) whether they have worked with Celltrion for three consecutive years. Further, 3) those who account for the top 80% in terms of the transaction amount are selected as key suppliers. However, in exceptional cases, a supplier may be selected as a key supplier regardless of the transaction amount considering the supplier's ESG management level and country, region, and material-specific risk through preliminary investigation.

Key Suppliers

Category	Sub-category		2022	
			Suppliers	Share of procurement (%)
Tier 1	Total suppliers		374	100
	Suppliers by region	Domestic	250	15
		Overseas	124	85
	Key suppliers		19	80

Procurement Management Organization



* ESG Committee manages and supervises supply chain management and governance

Supplier Management System

Responsible Supply Chain Management Procedures

Awareness

Global Guidelines and Standards	Stakeholders' Channel	Internal Risk Management Process
· RBA, EcoVadis, ILO, DJSI, CHRB, PSCI	· Business review meeting · On/offline meeting to manage issues · Weekly technical meeting	· Monthly internal control (Supplier registration, management of procurement information records, etc.)

SCM Risk Profile

· Annual review and deliberation on subcontractors/consignments/major suppliers

Guidance & Monitoring

Policy

· Supplier ESG Management Policy and Purchase Rules

Monitoring

· Registration conditions, contractual provisions, assessment, audits

Action

Take corrective actions | Close contractual relations

Supplier Quality Management Process

Celltrion carries out regular quality audits at different intervals (every 1-4 years) for each of its suppliers to ensure that they adhere to the current Good Manufacturing Practices (cGMPs).

* e.g. Commercial CMO: Every 1 year, Major raw/sub materials: Every 3 years, Raw materials or other services: Every 4 years

Through these regular quality audits, we share information on matters that should be improved or where action should be taken for each partner company's facilities, raw material management, quality systems, etc., within a minimum of one month and exchange opinions on the progress of improvements and measures within a minimum of one month. Through this management system, we have been able to maintain the quality of our products and ensure that our suppliers' products maintain a uniform quality level.

Supply Chain Selection and Assessment

Supplier ESG Management Policy

In order to build a sustainable supply chain, Celltrion has established a Supplier ESG Management Policy that specifies the social responsibilities that all suppliers in business relationships must perform. The policy covers four areas: labor and human rights, safety and health, environment, and ethical management. For mutual growth with suppliers, we prevent and manage potential ESG risks proactively by encouraging all suppliers with whom we sign transactions to comply with this policy in major ESG areas.

Supplier ESG Management Policy →

Supplier ESG Assessment System

To build sustainable collaboration with our suppliers and strengthen their ESG competency, Celltrion has established a supplier ESG Assessment System and utilizes it to diagnose and improve suppliers' ESG risks. We assess suppliers' ESG performance based on ESG assessment indicators in five areas: labor and human rights, safety and health, environment, ethics, and management system. Depending on the outcome of the evaluation, we give excellent suppliers additional points in the future bidding process, and if risks are found, we categorize them as low-risk/high-risk suppliers according to the degree of risk and develop and recommend a corrective action plan.

ESG Assessment Indicators for Suppliers

Labor and Human Rights

- General
- Voluntary work
- Underage workers
- Working hours
- Wages and welfare benefits
- Humane treatment
- Non-discrimination
- Freedom of association

Safety & Health

- OHS management system and training
- Occupational safety
- Emergency response capabilities
- Occupational accidents
- Occupational hygiene
- Physical labor
- Maintaining the safety of mechanical facilities
- Food, sanitation, and housing

Environment

- General
- Environment-related licenses and reporting
- Reduction of pollutants
- Hazardous substances management
- Processed waste
- Air pollutants
- Water management
- Energy and GHG emissions

Ethics

- General
- Anti-corruption and conflicts of interest
- Preventing unfair trade practices
- Protecting intellectual property
- Responsible sourcing of materials
- Security of personal information
- Others (Minimizing animal testing, etc.)

Management System

- Executives' engagement
- Performance management
- Supplier relationships and management
- Social contribution

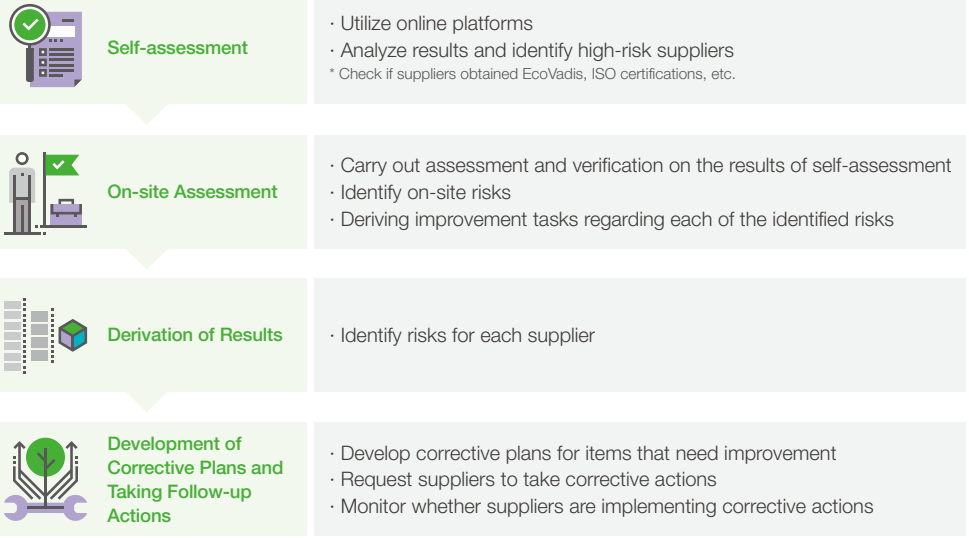
Implementation of ESG Assessment for Suppliers

ESG Assessment for Suppliers

To ensure expertise, objectivity, and reliability in the ESG assessment of our suppliers, Celltrion, together with a third-party assessor, conducted a self-assessment of a total of 82 assessment items in the areas of labor and human rights (23), safety and health (24), environment (15), ethics (14), and management system (6) over a period of about two months from the second half of 2022 to the first half of 2023 for a total of 14 key suppliers. We conducted on-site assessment for two of them.

The ESG assessment of suppliers is conducted in the following order: self-assessment, on-site assessment, and monitoring of improvement. The self-assessment analyzes answers to general and detailed items and supporting materials. Based on the assessment results, an on-site assessment is conducted for suppliers with identified ESG risks. For this assessment, we selected domestic companies that can cooperate with assessment among the companies subject to the self-assessment. Afterward, results of the self-assessment and on-site assessment are combined to confirm the risks, and we request the suppliers to take active improvement measures and develop improvement plans regarding the identified risks.

Supplier ESG Assessment Process



* The process is subject to change under EU Corporate Sustainability Due Diligence.

Results of ESG Assessment for Suppliers

According to the ESG risk assessment for suppliers, our key suppliers showed excellent ESG performance overall. However, they were found to be relatively weak in reducing pollutants in the environment category, minimizing animal testing, and developing measures in the ethics area. Based on the assessment results, we will develop a plan to support our suppliers in improving their ESG performance and eliminating risks. To reduce pollutants, we will distribute our ESG management policy to our suppliers so that they can refer to it in implementing improvement measures. If necessary, we will assist them in improving their management capabilities by providing training on GMP, quality, etc., to prepare countermeasures for animal testing.
In the future, Celltrion plans to provide training programs for suppliers to strengthen their ESG capabilities, and for high-risk suppliers, we plan to help them implement corrective/improvement measures. In addition, we will continue to provide ongoing ESG training to Celltrion's internal procurement organization and enhance our supplier assessment process to improve the overall level of ESG management along our supply chain.

Results of Supplier ESG Assessment in 2022

Category	Sub-category	No. of suppliers	Note
Supplier ESG Assessment	Key suppliers	19	-
	Self-assessment of key suppliers[2]	14	74% of key suppliers
	On-site assessment for key suppliers[3]	2	14% of suppliers that conducted a self-assessment
Identify Suppliers with Risk[1]	Suppliers with high risk	0	-
	Suppliers with low risk	1	-

1) Suppliers with high ESG risks: To check potential ESG risks, we used a total of 82 evaluation indicators (23 in labor rights, 15 in environment, 24 in safety and health, 14 in ethical management, and 6 in management system). Suppliers with serious violations are identified as high-risk suppliers. Suppliers that are rated below a certain level are categorized as low-risk suppliers.
2) Self-assessment: Suppliers who have completed the online ESG self-assessment
3) On-site assessment: Third-party inspections involving external experts

Accompanied Growth

Accompanied Growth and Mutual Cooperation Activities with Suppliers

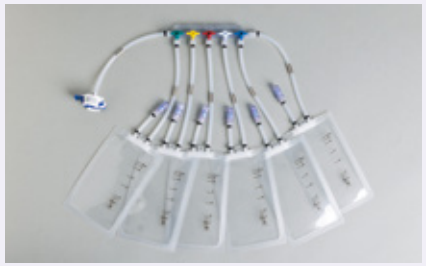
Supporting the Biotech Industry Ecosystem

Celltrion is committed to fulfilling its responsibilities as the first mover in Korea's biosimilar sector. Since 2020, we have been jointly operating the 'Shinhan Square Bridge Incheon' program with Shinhan Financial Group to find and foster startups in the biotech materials/parts/equipment, new drugs, and digital healthcare areas. We have pursued over 50 Open Innovation Projects and reviewed technologies through this project. Especially, in October 2022, as part of with the Incheon Startup Park project, we signed a joint research agreement with Pinotbio to introduce the technology implementation option for ADC linker-payload platform, equity investment, and joint research. Furthermore, regarding biotech materials/parts/equipment, we provided coaching to Umtr, a membrane filter development and manufacturing startup, for about two years and provided support with product demonstration tests using Celltrion's development infrastructure and facilities as a test bed. Celltrion will continue to do its best to create momentum for the biotech industry and contribute to the community.

Performance of Localizing Raw/Sub Materials

As part of Vision 2030 and in preparation for disruptions in the procurement of raw materials due to global trends whereby countries are trying to protect their own industries amid the COVID-19 pandemic, Celltrion, together with the Ministry of Trade, Industry and Energy and the Korea Bio, has been pursuing the localization of materials/parts/equipment and raw materials in the domestic biotech industry. Based on the achievements made so far, we will pursue supply stability and fulfill our mission as the first mover in Korea's biosimilar industry.

CASE 1 Localizing Production Process Sampling Bags



Sampling Bags

In August 2020, Celltrion initiated the localization review of several sampling bags used for testing In-Process Control (IPC). Drawing, sample reviews and technical feedback with the involvement of relevant departments (production, technical support) resulted in the production of items in 2021 that were ready for use. In January 2022, we used domestic products for Celltrion's development project. Since there were no quality issues, we finally registered them in the in-house system and revised all quality documents in the second half of 2022. In the second half of 2023, we plan to introduce and use the sampling bags for commercial projects. We are currently engaged in further discussions on localization with several companies for the items. We will exert efforts to make sure that localization has a positive impact in promoting the industry's technological competence.

CASE 2 Localization of Consumables for Single-use Plant Culture and Purification Processes

Signing Ceremony for Disposable Bag Supply Agreement between Celltrion and ECell

Celltrion reviewed the localization of consumables used in single-use plants to minimize the risk of long lead time due to COVID-19. The review process began in February 2021, and we started using consumables used for the harvest phase in the culture process in June 2021. In addition, we localized products consumed in the process of removing viruses, which is one of the purification process steps in the same plant, and started using the products in January 2022. Through this mutual cooperation, we will overcome the limitations of the biotech industry, where the localization rate for equipment is relatively low, and set a meaningful precedent, paving the way for becoming a biotech materials/parts/equipment strong country.

GOVERNANCE - 05

INFORMATION SECURITY

Celltrion is conducting various information security activities with the goal of safeguarding information assets based on a sophisticated and predictive security system.
To fulfill our obligation to protect national core technologies in the biotechnology field, we appointed a Chief Information Security Officer (CISO) and a Chief Privacy Officer (CPO), and formed a dedicated information security organization under the Corporate Sustainability Division supervised by the CEO.
In order to upgrade our information security system, we will acquire international standard certification (ISO 27001) to promote information security awareness and strengthen our cyber-security capabilities.

Information Security Management System

Organization and System

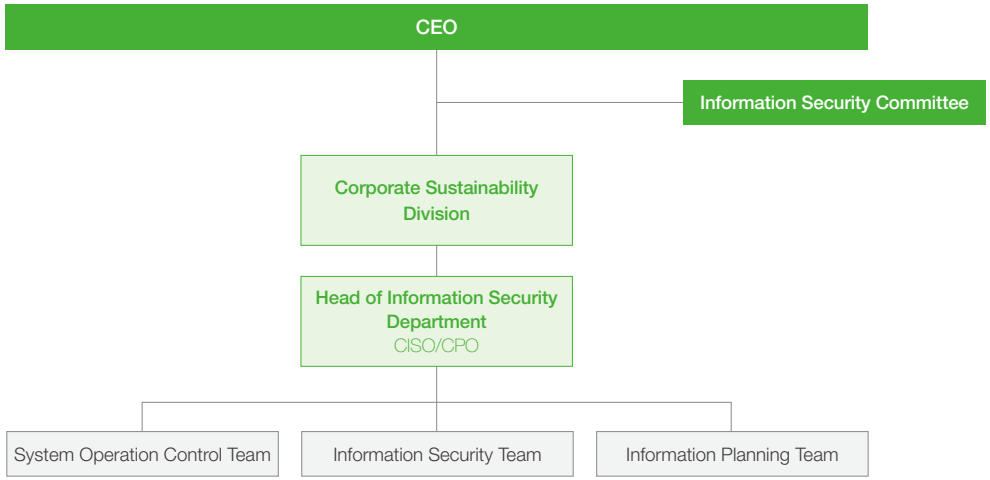
Information Security Organization

Celltrion has appointed executives who have relevant expertise as the Chief Information Security Officer (CISO), who oversees information security, and the Chief Privacy Officer (CPO), who oversees personal information security, and established a dedicated information security organization under the Corporate Sustainability Division directly supervised by the CEO through reorganization in April 2022. We regularly operate the Information Security Committee, which is chaired by the CISO and consists of executives from each business division to share the company-wide information security agenda. The Information Security Committee discusses agenda items that require consultation and decisions on various security issues.

Objectives of Information Security

Celltrion aims to identify the information assets to be protected, diagnose potential risks to the identified information, and establish and implement appropriate security measures. Through this, we strive to check and protect information assets systematically. With the mission and vision of creating a safety net for information security based on 'prediction-based active security,' we pursue the five core values. In addition, we are conducting various information security activities that meet the global security standards, and plan to obtain ISO 27001 certification, an international standard for information security management systems, in 2023.

Information Security Management Organization



Establishment of Information Security and Privacy Policies and Guidelines

In 2019, Celltrion documented its information security policy and enacted 15 guidelines and procedures, including the Information Security Management Regulation, as company regulations. All our information security-related regulations and procedures are revised continuously in accordance with compliance regulations and changes in the internal working environment and are regularly reviewed at least once a year. In 2021, we enacted the Personal Information Security Regulations. Similarly, we regularly review them at least once a year to reflect changes in relevant laws and regulations and disclose the findings to all employees through the internal regulations bulletin board in the groupware.

Five Core Values

Governance	Ensure employees' accountability for information security by responding proactively to changes in business and IT technologies and continuously optimizing our own regulations.
Responsibility and Trust	Based on employees' clear understanding of their security responsibilities and authority, we create a sense of autonomy and trust through transparent disclosure and restrictions as well as sophisticated control of behaviors that threaten security.
Communication and Change Management	Create a mature information security culture by inducing a sense of responsibility and voluntarism among employees through change management and planning of information security to create a positive security mindset.
Sophisticated Preventive Security	Identify protection targets that require preventive security while ensuring employees' convenience and autonomy, and utilize new technologies actively based on proportionality.
Digital Innovation	Maintain timeliness by responding proactively to security threats and preparing alternatives following technological changes such as DT and OT.

Information Security Activities

Personal Information Security Activities

Celltrion complies with the standards set forth by current laws throughout the life cycle of personal information based on the internal management plan for personal information, and clearly notifies the information subject through the privacy policy posted on the website. We renew our personal information liability insurance annually in preparation for damages to information subjects in the event of personal information leakage, and take technical protection measures such as encryption and access control to protect personal information from cyber-attacks. In addition, we conduct regular self-diagnosis on the current status of personal information processing, develop improvement tasks, and establish implementation plans to improve the level of personal information security.

Information Security Disclosure

In order to fulfill its information security disclosure obligations under the revised Information Security Industry Promotion Act, Celltrion made its first information security disclosure in June 2022.
Celltrion has been fulfilling its disclosure obligations faithfully by submitting disclosure data, including information security investment status, workforce status, and information security activity details to the Information Security Disclosure Portal to disclose its information security status transparently.

Process for Prevention of Security Accidents and Response

Information Leakage Management System

As a company with national core technology, Celltrion is obliged to manage and control the leakage of core information related to its business and operates the “Information Leakage Management System” to prevent unauthorized leakage of crucial company information, including personal information. Every month, we conduct self-inspections on acts that violate information security. After going through a justification process, we impose penalties on those violating information security rules and reward outstanding employees for reducing violations of information security regulations.

Cyber-Attack Simulation Training (Phishing Simulation)

To prevent security incidents caused by malicious emails, Celltrion has prepared countermeasures considering the possibility of being targeted by cyber-attacks. In order to prevent possible security incidents, we have been conducting simulations to improve employees’ ability to respond to malicious emails and to allow them experience malicious email samples that are similar to the real world. Furthermore, since 2021, we have established our own simulation system for sophisticated and effective training. In 2022, we doubled the frequency of simulations to enable employees experience and respond to more cases and thereby prevent security incidents caused by malicious emails thoroughly.

Justification process

Step 01 Check for violation → **Step 02** Select who is subject to justification → **Step 03** Request justification → **Step 04** Receive the justification report

- Step 01: · Once a month, led by the Information Security Team
- Step 03: · Send an email to the employee subject to justification

Step 05 Review the justification received

- No special issues with what was justified → **Step 07** Case closed
- ① Non-cooperation, evasion, or refusal
  ② Repeated violations
  ③ Serious violations → **Step 06** Separate actions/ Disciplinary measures

Establishment of Information Security Culture

Security Control and Monitoring

Celltrion manages its information assets safely through various pre- and post-management systems. We conduct risk analysis on services and systems subject to the information security management system, carry out constant monitoring and response to abnormal signs of information leakage, and establish and improve follow-up plans for discovered risks. In 2022, we implemented a web application firewall in preparation for cyber-attacks on our web services for external public use, and in 2023, we plan to establish a SIEM (Security Information and Event Management) system to ensure a sophisticated and immediate response to system abnormalities. We also conduct security reviews of our systems to meet legal requirements, and strive to create an environment where sufficient security measures can be applied.

Celltrion has established procedures to strictly control permissions to access various assets and systems, as well as manage exceptional permissions. In accordance with the principle of granting the minimum permissions within the necessary scope, we grant permissions only to selected employees and record and store the history of applications for assignments, changes, and removals. We also conduct periodic reviews on the appropriateness of permissions and delete unnecessary permissions immediately. For employees with privileged access, we prevent security incidents caused by privileged users through mailings of security risk warnings by type.

Personal Information Security System and Compliance

Celltrion encrypts files containing personal information in accordance with the Personal Information Protection Act, and once a year, we conduct a full survey of unique identification information (resident registration numbers) stored on work PCs and file-sharing systems, destroying unnecessary data. If necessary, we prepare supporting rules and store encrypted information. In addition, we participate actively in the unique identification information survey conducted by the Personal Information Protection Commission to conduct diagnosis and make immediate improvements on necessary matters. Based on this, we have introduced a DB encryption solution to encrypt DBs containing unique identification information. In 2022, we have introduced a server access control solution to ensure personal information safety by controlling access records and access to servers.

Information Security Training

Activities to Enhance Information Security Awareness among Employees

Celltrion conducts annual information security training for all employees to raise information security awareness. We provide customized security training for new employees, retirees, and those that handle core information when necessary. We strive to promote a corporate culture of information security. For employees handling personal information, we offer regular personal information security training and recently expanded the scope of training to entire employees. In addition, we share security newsletters containing precautions and response guidelines for the latest security incident cases through the company-wide announcement channel. We also share information security policies and systems, information security practice guidelines, and the latest malicious email cases through the information security bulletin board. We strive to raise security awareness by sharing privacy policies, systems, and practices through relevant bulletin boards so that all employees can understand the privacy policy and safely protect personal information.

※ In 2022, 2,160 employees received information security (personal information) training, with an average of 28 new hires per month.

Information Security Campaign

Celltrion organizes an annual ‘Information Security Day’ event to help employees understand the importance of information security. At the event in 2022, screensavers were created and distributed to inform employees of information security practices. In addition, we distributed webcam covers as souvenirs to help them protect their personal information in real life, thereby encouraging employees’ participation and interest while spreading the information security culture. Furthermore, four industrial security posters were placed at each site of company to help employees recognize the importance of protecting industrial technology at a glance.

Information Security Day Event

Information Security Newsletter posts

Information Security Training Participants

2,160 employees

Protecting National Core Technologies

As a national core technology holder in the biotechnology field (“Animal Cell Culture/Purification Process Technology of 10,000 Liters or More”) pursuant to Article 9 of the Act on Prevention of Divulgence and Protection of Industrial Technology (hereinafter referred to as the Industrial Technology Protection Act), Celltrion conducts various activities to fulfill its obligation to protect national core technologies based on government policies and laws.

National Core Technology Protection System

Establishment of National Core Technology Protection and Management System

In order to fulfill its obligation to protect national core technologies, including export reporting, Celltrion established an information security organization directly under the CEO and enacted the National Core Technology Security Management Regulations in April 2022, including the designation of national core technologies, handling experts, physical security, system security, Deliberation Committee, and maintenance of regulations to protect national core technologies.

Protection and Management of National Core Technology

Celltrion has designated 67 employees in the Regulatory Affairs Division that handles pharmaceutical Common Technical Documents (CTD) as experts in handling national core technologies, and conducts information security activities for those who handle national core technologies, such as collecting confidentiality pledges, training, and collecting confidentiality and non-competition pledges when leaving the company. In addition to the CTD, a classification suitability assessment was conducted to select documents with high impact in the event of information leakage, in that these documents may cause an adverse impact on the competitiveness of national core technologies if taken out of the country without permission. To protect these critical technologies, we operate an intrusion prevention system, access control system, data leakage prevention system, and mail security system.

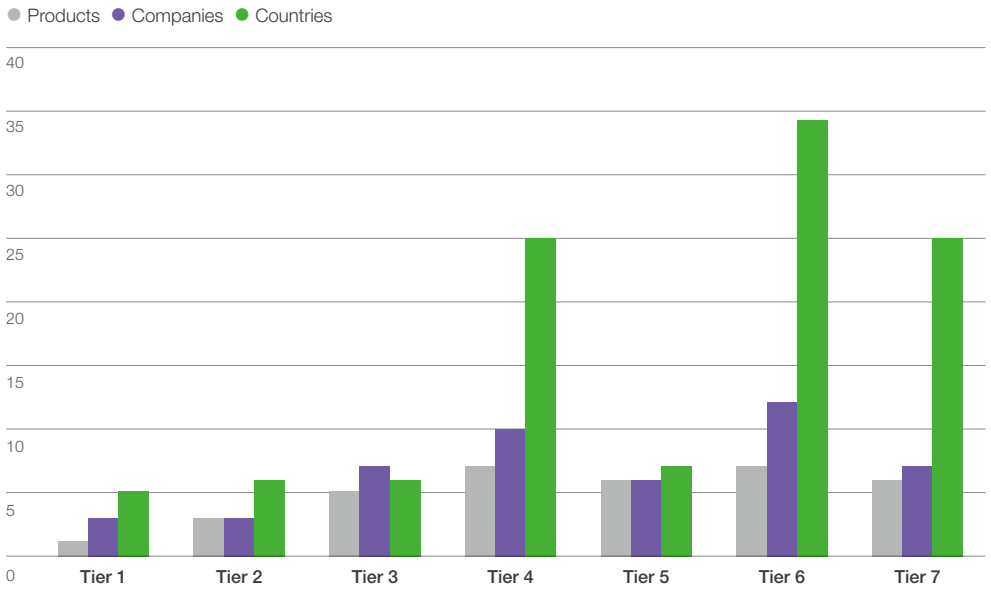
Reporting of Export of National Core Technology

Businesses that own national core technologies are required to safeguard the national core technologies in their possession based on government policies and laws. When businesses need to take the national core technology materials out of Korea, they should declare the intent and request deliberation to the Ministry of Trade, Industry, and Energy for exports. Celltrion made seven export declarations in 2022 and delivered national core technology documents after receiving notice of report reception without prior leakage. For the company intending to receive the national core technology by transfer, we use a checklist containing 34 items to verify the company’s stability and whether it has an information security system to protect national core technologies. Celltrion’s Virtual Desktop Infrastructure (VDI) is provided to companies with inadequate security systems to protect their information assets against information leakage.

The Outcome of National Core Technology Protection Activities and Direction of Improvement

In May 2022, Celltrion underwent a preliminary inspection by the National Intelligence Service in seven areas related to the protection of national core technologies, including workforce management, security management, and management systems, and was evaluated as having a good level of protection in all areas. In 2023, we plan to introduce a document encryption system to strengthen the security level of materials related to national core technology.

Export Report of National Core Technology (as of 2022)



No. of Products
8

No. of Companies
30

No. of Countries
72

ESG FACTBOOK

Financial Information

Financial Performance

Consolidated Statement of Financial Position (As of the end of December 2022; Unit: KRW million)

Category	2020	2021	2022
Assets			
Current assets	2,516,495	3,074,471	**2,929,792**
Cash and cash equivalents	684,294	1,188,326	**551,187**
Short-term financial assets	14,034	31,575	**43,277**
Trade receivables	1,252,395	1,101,089	**1,621,890**
Other receivables	63,322	63,294	**32,200**
Inventories	384,325	578,057	**616,352**
Other current assets	118,125	112,130	**64,886**
Non-current assets	2,503,626	2,599,652	**2,961,860**
Long-term financial assets	31,346	24,435	**29,274**
Long-term trade receivables			**62,888**
Long-term other receivables	10,138	12,491	**91,154**
Investments in associates	48,027	64,841	**88,535**
Property, plant and equipment	946,280	950,412	**1,007,038**
Intangible assets	1,404,189	1,491,571	**1,622,326**
Other non-current assets	34,659	27,279	**28,461**
Deferred tax assets	28,988	28,623	**32,184**
Total assets	5,020,121	5,674,123	**5,891,652**

Category	2020	2021	2022
Liabilities			
Current liabilities	1,056,767	1,210,480	**1,294,098**
Short-term financial liabilities	595,784	569,598	**665,012**
Trade payables	33,963	80,723	**50,270**
Other payables	266,224	228,419	**320,244**
Current tax liabilities	100,356	179,552	**88,705**
Provisions	2,617	3,849	**1,487**
Other current liabilities	57,824	148,338	**168,379**
Non-current liabilities	535,774	413,268	**323,350**
Long-term financial liabilities	202,958	174,757	**154,468**
Long-term other payables	15,973	13,985	**7,576**
Other non-current liabilities	230,638	202,950	**160,202**
Deferred tax liabilities	86,205	21,576	**1,105**
Total liabilities	1,592,541	1,623,748	**1,617,448**
Equity			
Equity attributable to owners of the parent	3,307,677	3,917,238	**4,139,360**
Issued capital	134,998	137,947	**140,805**
Share premium	812,156	840,337	**853,172**
Retained earnings	2,475,297	3,052,474	**3,485,110**
Accumulated other comprehensive income	6,298	24,987	**48,746**
Other components of equity	(121,072)	(138,508)	**(388,472)**
Non-controlling interest	119,903	133,137	**134,844**
Total equity	3,427,580	4,050,375	**4,274,204**
Total liabilities and equity	5,020,121	5,674,123	**5,891,652**

Consolidated Statement of Profit or Loss (As of the end of December 2022; Unit: KRW million)

Category	2020	2021	2022
Revenue	1,849,317	1,893,401	**2,283,967**
Cost of sales	821,452	805,807	**1,251,270**
Gross profit	1,027,866	1,087,594	**1,032,697**
Selling and administrative expenses	305,526	343,417	**385,499**
Operating profit	722,340	744,177	**647,198**
Other income	48,684	53,500	**47,524**
Other expenses	84,478	84,964	**87,043**
Finance income	9,578	42,294	**24,945**
Finance costs	37,670	12,798	**13,507**
Profit (loss) on equity method	2,590	(3,586)	**7,056**
Profit before income tax	661,044	738,623	**626,173**
Income tax expenses	134,474	152,821	**94,827**
Continuing operations profit for the year	526,570	585,803	**531,347**
Discontinued operation profit for the year	(868)	9,977	**11,220**
Profit for the year	525,703	595,779	**542,566**
Attributable to:			
Owners of the parent company	517,760	579,465	**537,836**
Continuing operations profit	518,627	569,488	**526,616**
Discontinued operations profit	(868)	9,977	**11,220**
Non-controlling interests	7,943	16,315	**4,731**
Profits from continuing operations	7,943	16,315	**4,731**
Profits from discontinued operations			
Earnings per share:			
Basic earnings per share (Unit: KRW)	3,855	4,160	**3,894**
Diluted earnings per share (Unit: KRW)	3,834	4,141	**3,888**

Consolidated Statement of Comprehensive Income (As of the end of December 2022; Unit: KRW million)

Category	2020	2021	2022
Profit for the year	525,703	595,779	**542,566**
Other comprehensive income	3,241	19,199	**23,839**
Other comprehensive income that may be reclassified as profit or loss in subsequent periods:	(7,038)	27,351	**22,797**
Exchange differences on translation of foreign operations	(7,038)	27,351	**22,797**
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:	10,280	(8,152)	**1,042**
Equity adjustments in equity method	138	(270)	**1,048**
Exchange differences pertaining to translation of foreign operations	(53)	121	**80**
Gain (loss) on valuation of financial assets measured at fair value through other comprehensive income	13,756	(11,677)	**171**
Gain on disposal of financial assets measured at fair value through other comprehensive income	396	536	
Income tax effects relating to components of other comprehensive income (loss)	(3,957)	3,138	**(258)**
Total comprehensive income	528,944	614,978	**566,405**
Attributable to:			
Owners of the parent	521,228	598,542	**561,594**
Non-controlling interests	7,717	16,436	**4,811**

Consolidated Statement of Changes in Equity (As of the end of December 2022; Unit: KRW million)

Category	Issued capital	Share premium	Retained earnings	Accumulated other comprehensive income	Other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total
As of January 1, 2020 (Beginning Equity)	128,338	786,358	1,963,728	3,000	(121,315)	2,760,109	112,804	**2,872,913**
Profit for the year			517,760			517,760	7,943	**525,703**
Gain on valuation of financial assets measured at fair value through other comprehensive income				10,236		10,236	(313)	**9,924**
Gain on disposal of financial assets measured at fair value through other comprehensive income			170			170	139	**309**
Exchange differences on translation of foreign operations				(7,038)		(7,038)	(53)	**(7,092)**
Equity adjustments in equity method				100		100		**100**
Stock dividends	6,360		(6,360)					
Cash dividends								
Exercise and forfeit of stock warrants	300	25,797			(7,018)	19,079	264	**19,343**
Recognition of stock warrants					21,416	21,416	818	**22,234**
Acquisition of treasury stocks					(14,762)	(14,762)	(1,104)	**(15,866)**
Other capital								
Changes in percentage of ownership in subsidiaries, etc.					607	607	(607)	
Additional acquisition of investment stocks in a subsidiary							12	**12**
As of December 31, 2020 (Ending Equity)	134,998	812,156	2,475,297	6,298	(121,072)	3,307,677	119,903	**3,427,580**
As of January 1, 2021 (Beginning Equity)	134,998	812,156	2,475,297	6,298	(121,072)	3,307,677	119,903	**3,427,580**
Profit for the year			579,465			579,465	16,315	**595,779**
Loss on valuation of financial assets measured at fair value through other comprehensive income				(8,466)		(8,466)		**(8,466)**
Gain on disposal of financial assets measured at fair value through other comprehensive income			389			389		**389**
Exchange differences on translation of foreign operations				27,351		27,351	121	**27,472**
Equity adjustments in equity method				(196)		(196)		**(196)**
Stock dividends	2,676		(2,676)					
Cash dividends								

* Continued on the next page

Category	Issued capital	Share premium	Retained earnings	Accumulated other comprehensive income	Other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total
Exercise and forfeit of stock warrants	274	28,181			(7,914)	20,541	925	**21,466**
Recognition of stock warrants					23,965	23,965	1,511	**25,476**
Acquisition of treasury stocks					(33,891)	(33,891)	(5,235)	**(39,126)**
Other capital								
Changes in the percentage of ownership in subsidiaries, etc.					404	404	(404)	
Additional acquisition of subsidiary investment shares								
As of December 31, 2021 (Ending Equity)	137,947	840,337	3,052,474	24,987	(138,508)	3,917,238	133,137	**4,050,375**
As of January 1, 2022 (Beginning Equity)	137,947	840,337	3,052,474	24,987	(138,508)	3,917,238	133,137	**4,050,375**
Profit for the year			537,836			537,836	4,731	**542,566**
Gain on valuation of financial assets measured at fair value through other comprehensive income				191		191		**191**
Gain on disposal of financial assets measured at fair value through other comprehensive income								
Exchange differences on translation of foreign operations				22,797		22,797	80	**22,878**
Equity adjustments in equity method				770		770		**770**
Stock dividends	2,732		(2,732)					
Cash dividends			(102,468)			(102,468)		**(102,468)**
Exercise and forfeit of stock warrants	126	12,835			(3,971)	8,989	854	**9,843**
Recognition of stock warrants					28,017	28,017	1,736	**29,754**
Acquisition of treasury stocks					(275,973)	(275,973)	(4,577)	**(280,549)**
Other capital							844	**844**
Changes in percentage of ownership in subsidiaries, etc.					1,962	1,962	(1,962)	
Additional acquisition of subsidiary investment shares								
As of December 31, 2022 (Ending Equity)	140,805	853,172	3,485,110	48,746	(388,472)	4,139,360	134,844	**4,274,204**

Consolidated Statement of Cash Flows (As of the end of December 2022; Unit: KRW million)

Category	2020	2021	2022
Net cash flows provided by operating activities	350,747	911,159	**864**
Cash generated from operations	415,187	1,047,103	**217,904**
Income tax paid	(64,440)	(135,943)	**(217,041)**
Net cash flows used in investing activities	(471,983)	(355,825)	**(297,051)**
Cash inflows from investing activities	112,963	97,726	**110,315**
Interest received	5,897	4,310	**12,632**
Dividend received	243	2,239	**233**
Decrease in short-term financial assets	87,584	17,034	**35,283**
Decrease in long-term financial assets	1,527	1,638	**546**
Decrease in other receivables			**27,518**
Decrease in long-term other receivables	3,990	604	**8,019**
Decrease in investments in associates	8,793	11,863	**8,551**
Receipt of other grants	271	73	
Proceeds from the disposal of property, plant and equipment	958	13	**3**
Proceeds from disposal of intangible assets	1,500	27,823	**10**
Disposal of investment property	2,200		
Receipt of government grants		32,129	**31**
Changes in consolidation scope			**17,488**
Cash outflows from investing activities	(584,946)	(453,551)	**(407,367)**
Increase in short-term financial assets	(32,582)	(49,951)	**(44,575)**
Increase in other receivables		(41,014)	**(676)**
Increase in long-term financial assets	(940)	(4,834)	**(6,295)**
Increase in long-term other receivables	(3,143)	(2,858)	**(7,468)**
Acquisition of investments in associates	(6,250)	(32,782)	**(32,880)**
Acquisition of property, plant and equipment	(87,008)	(63,379)	**(111,169)**
Acquisition of intangible assets	(454,384)	(258,186)	**(200,817)**
Acquisition of other assets	(639)	(548)	
Changes in consolidation scope			**(3,487)**
Net cash flows used in financing activities	265,988	(69,278)	**(350,219)**
Cash inflows from financing activities:	458,519	228,911	**190,652**
Increase in short-term financial liabilities	246,713	182,431	**118,163**
Increase in long-term financial liabilities	192,411	24,994	**62,626**
Issuance of ordinary shares	19,395	21,486	**9,862**

Category	2020	2021	2022
Cash outflows from financing activities	(192,531)	(298,188)	**(540,871)**
Interest paid	(14,869)	(16,022)	**(22,667)**
Dividend paid		(4)	**(102,451)**
Decrease in short-term financial liabilities	(107,107)	(108,023)	**(77,524)**
Decrease in current portion of long-term borrowings	(52,043)	(132,043)	**(54,481)**
Decrease in lease liabilities	(2,633)	(2,951)	**(3,163)**
Decrease in guarantee deposits			**(17)**
Stock issuance costs	(13)	(19)	**(19)**
Acquisition of treasury stocks	(15,866)	(39,126)	**(280,549)**
Net increase (decrease) in cash and cash equivalents	144,752	486,056	**(646,407)**
Net foreign exchange difference	(6,595)	17,976	**9,268**
Cash and cash equivalents at the beginning of the year	546,138	684,294	**1,188,326**
Cash and cash equivalents at the end of the year	684,294	1,188,326	**551,187**

Corporate Tax Payments by Business (As of the end of December 2022, Unit: KRW million)

Tax jurisdictions	Legal entities	Business activities	Number of employees	Revenue	Profit (loss) before tax	Income tax payable (current year)	Income tax paid
Korea	Celltrion, Inc.	Sales and manufacturing of pharmaceuticals	2,263	1,937,469	606,390	83,068	**230,625**
Korea	Celltrion Pharm, Inc.	Sales and manufacturing of pharmaceuticals	841	386,040	30,469	5,636	**4,204**
Philippines	Celltrion Global Safety Data Center	Global drug safety data management	178	3,877	314		
Hong Kong	Celltrion Group Hong Kong	Biopharmaceuticals business in China	5		(2,507)		
China	Shanghai Vcell Biotech	Biopharmaceuticals R&D (Including clinical trials)			89		
Singapore	Celltrion Asia Pacific PTE	Sales and R&D of small molecule drugs	13	136,046	1,207		
United Kingdom	Celltrion Europe	Conducting clinical trials of biosimilars in EU					
Ireland	Celltrion Biopharma	Clinical trials for biopharmaceuticals					

* The data presented is based on Celltrion's Tax Reconciliation Statement for 2022, and income taxes paid represent the cash payments made in 2022.

Non-financial Information

Environmental Performance

Energy Consumption

Category	Unit	2019	2020	2021	2022
Plant 1					
Fuel	TJ	121	152	152	**167**
- LNG[1]		118	150	150	**164**
- Gasoline[2]		3	2	3	**3**
- Diesel[3]		0	0	0	**0**
Electricity[4]		246	275	278	**282**
Total energy consumption		367	427	430	**449**
Plant 2					
Fuel	TJ	211	207	229	**251**
- LNG[1]		210	207	229	**251**
- Gasoline[2]		-	-	-	**-**
- Diesel[3]		0	0	0	**0**
Electricity[4]		406	431	458	**456**
Total energy consumption		617	639	688	**707**
Total energy consumption	TJ	983	1,066	1,118	**1,155**
Revenue (Consolidated)	KRW 100 million	11,285	18,493	18,934	**22,840**
Intensity of energy consumption (Based on revenue)	TJ/KRW 100 million	0.09	0.06	0.06	**0.05**

* Energy consumption by source
1) LNG: Plant 1 (Boiler, emergency generator, cafeteria), Plant 2 (Boiler, cafeteria)
2) Gasoline: Executive vehicles
3) Diesel: Executive vehicles, forklifts, trucks, emergency generators at Plant 2
4) Electricity: Plant 1 and 2

Reduction of Energy Consumption

Category		Unit	2019	2020	2021	2022
Energy savings through control of lighting systems in mechanical rooms and corridors[1]	Plant 1	MJ	1,536	1,536	1,536	**1,536**
	Plant 2		1,824	1,824	1,824	**1,824**
Energy saving effect through control of lighting systems in mechanical rooms and corridors	Plant 1	KRW Million	18	18	18	**18**
	Plant 2		22	22	22	**22**
Energy savings through operating HVAC on energy saving mode[2]	Plant 1	MJ	1,920	1,920	1,920	**1,920**
	Plant 2		5,088	5,088	5,088	**5,088**
Energy saving effect through operating HVAC on energy saving mode	Plant 1	KRW Million	23	23	23	**23**
	Plant 2		60	60	60	**60**
Energy savings through upgrading the cooling water pump[3]	Plant 1	MJ	-	768	-	**-**
	Plant 2		-	-	-	**-**
Energy saving effect through upgrading the cooling water pump	Plant 1	KRW Million	-	9	-	**-**
	Plant 2		-	-	-	**-**

1) Save energy through control of lighting systems in mechanical rooms and corridors
- Method used for calculation of energy savings: Rated capacity of light (kW) × Quantity of lighting turned off (EA) × Hours of lighting turned off a year (hr.) × 9.6GJ/MWh × 10-3
- Method used for calculation of energy saving effect: Electricity saved (kWh) x Electricity rate (KRW 114 /kWh)

2) Reducing energy consumption by intermittent stopping of the air conditioner in the office spaces
- Method used for calculation of energy saving: Electricity consumption per HVAC (kW) × Annual HVAC shutdown time (hr.) × 9.6 GJ/MWh × 10-3
- Method used for calculation of energy saving effect: Electricity saved (kWh) x Electricity rate (114 KRW/kWh)

3) Reducing energy used for cooling water pumps by installing additional flow control valves in the cooling water line and adjusting them to the rated flow rate of equipment that use cooling water
- Method used for calculation of energy saving: (Operating power (kWh) before improvement - Operating power (kWh) after improvement) x Annual operating hours (8,760 h/year) x Utilization rate (70%)
- Method used for calculation of energy saving effect: Electricity saved (kWh) x Electricity rate (KRW 114/kWh)

GHG Emissions

Category	Business site	Unit	2019	2020	2021	2022
Scope 1 : Direct emissions	Plant 1	tCO2eq	6,179	7,779	7,769	**8,490**
	Plant 2		10,685	10,517	11,634	**12,728**
Total scope 1: Direct emissions			16,864	18,297	19,402	**21,219**
Scope 2: Indirect emissions	Plant 1		11,944	13,353	13,287	**13,495**
	Plant 2		19,723	20,953	21,926	**21,804**
Total scope 2: Indirect emissions			31,667	34,306	35,213	**35,299**
Total GHG emissions			48,531	52,602	54,615	**56,518**
Revenue		KRW 100 million	11,285	18,493	18,934	**22,840**
GHG emission intensity		tCO2eq/ KRW 100 million	4.30	2.84	2.88	**2.47**

* Emissions were calculated in accordance with the Guidelines on Emission Reporting and certification of emissions based on the Greenhouse Gas Emissions Trading system

Water[1] Consumption

Category	Business site	Unit	2019	2020	2021	2022
Water intake	Plant 1	Ton	165,600	210,904	222,606	**222,051**
	Plant 2		283,846	273,921	288,562	**304,532**
Total water intake			449,446	484,825	511,168	**526,583**
Water withdrawals (Usage)	Plant 1		165,600	210,904	222,606	**222,051**
	Plant 2		283,846	273,921	288,562	**304,532**
Total water withdrawals (Usage)			449,446	484,825	511,168	**526,583**
Water discharged	Plant 1		94,605	136,454	147,208	**147,078**
	Plant 2		185,263	174,663	173,718	**188,486**
Total water discharged[2]			279,868	311,117	320,926	**335,564**
Recycled and reused water	Plant 1		-	-	-	**-**
	Plant 2		-	-	-	**-**
Total recycled and reused water			-	-	-	**-**

1) All water used at business sites is municipal water.
2) Total water discharged corresponds to the amount of wastewater discharged at a wastewater treatment facility. Domestic wastewater (from toilet, restaurants, etc.), treated at a sewage treatment facility is not included in the total water discharged.

Management of Water Pollutants

Category	Business site	Unit	2019	2020[1]	2021	2022[2]
BOD	Plant 1	Ton	0.18	0.12	0.49	**2.22**
	Plant 2		1.18	0.37	0.63	**1.09**
Total BOD			1.36	0.49	1.12	**3.32**
COD	Plant 1		1.03	6.03	2.99	**5.01**
	Plant 2		3.10	3.25	1.61	**1.44**
Total COD			4.13	9.28	4.60	**6.45**
SS	Plant 1		1.22	1.73	0.29	**0.64**
	Plant 2		3.11	3.66	0.54	**0.78**
Total SS			4.34	5.39	0.83	**1.42**
T-N	Plant 1		1.23	2.65	3.77	**2.85**
	Plant 2		1.58	1.42	1.20	**1.33**
Total T-N			2.81	4.06	4.97	**4.18**
T-P	Plant 1		0.21	0.25	0.01	**0.04**
	Plant 2		0.06	0.27	0.10	**0.10**
Total T-P			0.26	0.53	0.11	**0.13**

1) We maintain the discharge of water pollutants within the permissible level by using a COD meter, water analysis at our own lab (SS, T-N, T-PP), and analysis by an authorized third-party analysis institute (for all items). However, it was found that, when highly concentrated wastewater is generated, the concentration of pollutants goes up, resulting in high emissions (2020).
2) According to the revision of the Water Environment Preservation Act, COD was excluded from the list of water pollutants, and TOC was included. Accordingly, COD analysis was not conducted in 2022, and the discharged amount was calculated based on the analysis of TOC.

Environmental Goal and Performance (In intensity) in 2022

Category	Unit	Goal[1]	Performance	Goal/ Performance
GHG emissions	tCO2eq/KRW 100 million	2.86	2.47	**115%**
Energy consumption	TJ/KRW 100 million	0.06	0.05	**116%**
Waste generated	Ton/KRW 100 million	0.10	0.09	**104%**
Water consumption		26.73	23.06	**116%**

1) Environmental goal: Reduce the intensity of environmental pollutant emissions and energy consumption by 1% from the previous year.

Management of Air Pollutants[1)]

Category	Business site	Unit	2019	2020	2021	2022
Dust	Plant 1	Ton	0.08	0.10	0.10	**0.11**
	Plant 2		0.14	0.14	0.16	**0.17**
Total dust			0.23	0.24	0.26	**0.29**
Sulfur oxides (SOx)	Plant 1		0.03	0.03	0.03	**0.04**
	Plant 2		0.05	0.05	0.05	**0.06**
Total volume of sulfur oxides (SOx)			0.08	0.08	0.09	**0.10**
Nitrogen oxides (NOx)	Plant 1		9.95	12.35	12.75	**13.99**
	Plant 2		17.78	17.49	19.60	**21.46**
Total volume of nitrogen oxides (NOx)			27.72	29.84	32.35	**35.45**

1) Air pollutant emissions were calculated using the emission coefficient in Annex 10 of the Enforcement Rules of the Air Environment Preservation Act.

Waste Management

Category		Unit	2019	2020	2021	2022
Waste generated	Plant 1	Ton				
	General waste		581	821	835	**1,052**
	Hazardous waste		51	41	42	**47**
	Total waste generated		631	862	878	**1,099**
	Plant 2					
	General waste		812	748	774	**828**
	Hazardous waste		155	160	170	**164**
	Total waste generated		966	909	944	**992**
	Total general waste		1,393	1,569	1,610	**1,880**
	Total hazardous waste		205	201	213	**211**
	Total waste generated		1,598	1,771	1,822	**2,090**

Category		Unit	2019	2020	2021	2022
Waste processed	Plant 1	Ton				
	Waste recycled [1)]		305	476	492	**664**
	Incinerated (outside)		319	385	385	**433**
	Landfilled (outside)		-	-	-	**-**
	Others [2)]		7.5	0.6	-	**1.7**
	Total waste processed		631	862	878	**1,099**
	Plant 2					
	Waste recycled [1)]		563	436	492	**481**
	Incinerated (outside)		403	472	453	**510**
	Landfilled (outside)		-	-	-	**-**
	Others [2)]		0.4	0.8	-	**0.3**
	Total waste processed		966	909	944	**992**
	Total waste recycled [1)]		868	912	984	**1,145**
	Total incinerated (outside)		722	857	838	**943**
	Total landfilled (outside)		-	-	-	**-**
	Others [2)]		7.9	1.4	-	**2.0**
	Total waste processed		1,598	1,771	1,822	**2,090**
Waste recycled	Plant 1	%	48	55	56	**60**
	Plant 2		58	48	52	**49**
	Total waste recycled [3)]		54	52	54	**55**

1) Recyclable items (Sludge from waste treatment, waste activated carbon, waste oil, waste organic solvent solids)
2) Other treatment methods are evaporative concentration treatment of waste acid and waste alkali among the designated wastes.
3) Waste recycled/total waste processed

Environmental Compliance

Category	Business site	Unit	2019	2020	2021	2022
Financial penalties	Plant 1	KRW million	-	1.6	-	-
	Plant 2		-	-	-	-
Total financial penalties			-	1.6[1]	-	-
Prosecutions	Plant 1	Case	-	-	-	-
	Plant 2		-	-	-	-
Total prosecutions			-	-	-	-
Non-financial sanctions	Plant 1		-	-	-	-
	Plant 2		-	-	-	-
Total non-financial sanctions			-	-	-	-

1) Paid a fine of KRW 1.6 million on account of failure to self-measure air pollutants pursuant to Paragraph 1, Article 39 of the Air Environment Protection Act, which was identified during an instruction/inspection by the Metropolitan Air Quality Management Agency on November 11, 2020..

ESH Training

Category			Unit	2019	2020	2021	2022
ESH training (Common training)	Total training hours		Hour	38,436	37,428	38,484	40,560
	Participants	Office workers	Person	867	873	957	966
		Non-office workers		1,168	1,123	1,125	1,207
	Training hours per person	Office workers	Hour	12	12	12	12
		Non-office workers		24	24	24	24
Training on hazardous chemical substances	Training						
	Total training hours		Hour	32	608	608	496
	Participants		Person	2	38	38	31
	Training hours per person		Hour	16	16	16	16
	Training						
	Total training hours		Hour	4,080	6,176	3,808	5,488
	Participants		Person	255	386	238	343
	Training hours per person		Hour	16	16	16	16

Category		Unit	2019	2020	2021	2022
Training on hazardous chemical substances	Training					
	Total training hours	Hour	2,864	1,970	2,126	1,958
	Participants (Total)	Person	1,432	985	1,063	979
	Participants (Employees)	Person	1,214	860	918	843
	Participants (Suppliers)	Person	218	125	145	136
	Training hours per person	Hour	2	2	2	2

* Annual no. of participants is obtained by multiplying the average no. of participants per quarter by four

Environmental Investment Plan

Item	Busines site	Unit	2019	2020	2021	2022
Installation of air pollution prevention facilities (low-NOx burners)	Plant 1	KRW million	-	-	-	-
	Plant 2		-	100[1]	-	935[2]
Total			-	100	-	935
Air pollutant generating facilities that were improved (Boilers)	Plant 1		19	12	33	38
	Plant 2		67	30	44	111
Total			86	42	77	149
Water pollutant prevention facilities that were improved (Wastewater treatment facilities)	Plant 1		38	33	51	119
	Plant 2		4	4	44	67
Total			42	36	95	187
Costs of outsourcing wastewater and waste treatment	Plant 1		208	223	277	246
	Plant 2		318	377	365	360
Total			527	600	642	606

1) Replaced two boilers with low-NOx burner boilers at Plant 2 in 2020 (The existing boilers were not low-NOx burner type)
2) Replaced eight boilers with low-NOx burner boilers at Plant 2 in 2020 (The existing boilers were not low-Nox burner type)

Amount of Raw/Sub Materials Used

Category	Unit	2019	2020	2021	2022
Amount of raw/sub materials usage	kg	430,147	615,547	577,413	519,273

Social Performance

Employee Profile

Category			Unit	2019	2020	2021	2022
Total number of employees		Total number of employees	Person	2,111	2,158	2,207	**2,263**
		Male		1,250	1,267	1,286	**1,299**
		Female		861	891	921	**964**
By employment type: Regular & Fixed-term		Total number of employees		2,019	2,041	2,074	**2,120**
		Male		1,205	1,231	1,230	**1,241**
		Female		814	810	844	**879**
By employment type: Contract		Total number of employees		92	117	133	**143**
		Male		45	36	56	**58**
		Female		47	81	77	**85**
New hires		Total number of employees		593	261	337	**366**
		Male		335	125	152	**150**
		Female		258	136	185	**216**
Under 30		Male		571	561	500	**414**
		Female		493	484	440	**397**
30 to 50		Male		660	690	772	**863**
		Female		362	396	468	**554**
Above 50		Male		19	16	14	**22**
		Female		6	11	13	**13**
By gender	Male	Number of employees		1,250	1,267	1,286	**1,299**
		Permanent employees [1]		1,221	1,235	1,257	**1,275**
		Temporary employees [2]		29	32	29	**24**
		Daily workers [3]		0	0	0	**0**
		Full-time employees [4]		1,250	1,267	1,286	**1,299**
		Part-time employees [5]		0	0	0	**0**
	Female	Number of employees		861	891	921	**964**
		Permanent employees		822	852	887	**912**
		Temporary employees		39	39	34	**52**
		Daily workers		0	0	0	**0**
		Full-time employees		861	881	911	**957**
		Part-time employees		0	10	10	**7**

Category			Unit	2019	2020	2021	2022
By nationality [6]	Korea	Number of employees	Person	2,074	2,127	2,177	**2,239**
		Permanent employees		2,006	2,056	2,114	**2,163**
		Temporary employees		68	71	63	**76**
		Daily workers		0	0	0	**0**
		Full-time employees		2,074	2,117	2,167	**2,232**
		Part-time employees		0	10	10	**7**
	USA	Number of employees		15	13	14	**12**
		Permanent employees		15	13	14	**12**
		Temporary employees		0	0	0	**0**
		Daily workers		0	0	0	**0**
		Full-time employees		15	13	14	**12**
		Part-time employees		0	0	0	**0**
	India	Number of employees		6	5	5	**3**
		Permanent employees		6	5	5	**3**
		Temporary employees		0	0	0	**0**
		Daily workers		0	0	0	**0**
		Full-time employees		6	5	5	**3**
		Part-time employees		0	0	0	**0**
	Others	Number of employees		16	13	11	**9**
		Permanent employees		16	13	11	**9**
		Temporary employees		0	0	0	**0**
		Daily workers		0	0	0	**0**
		Full-time employees		16	13	11	**9**
		Part-time employees		0	0	0	**0**
By management position		Employees in manager positions	Person	219	230	249	**268**
		Employees in mid-level manager positions		160	170	179	**192**
		Executives		35	39	33	**42**
		Ratio of female employees in manager positions	%	28	27	33	**32**
		Ratio of female employees in mid-level manager positions		34	30	34	**33**
		Ratio of female executives		9	5	21	**17**

Employee Profile

Category		Unit	2019	2020	2021	2022
Professional/ Special/General contract workers	Total number of employees	Person	92	117	133	**143**
	Male		45	36	56	**58**
	Female		47	81	77	**85**
Female employees	Total number of female employees	Person	861	891	921	**964**
	Female employees in manager positions		61	62	81	**87**
	Female employees in mid-level manager positions		54	51	60	**64**
	Female executives		3	6	7	**7**
	Female employees in revenue-generating positions [7]		0	0	0	**0**
	Female employees in STEM positions		769	786	796	**815**
Average length of service	Male	Year	4.2	5.0	5.5	**6.2**
	Female		4.0	4.6	5.1	**5.4**
Workers who were not hired directly by the company [8]	Dispatched workers	Person	1	0	0	**0**
	Apprentices		0	0	0	**0**
	Contractors		0	0	0	**0**
	Remote workers		0	0	0	**0**
	Interns		0	0	0	**0**
	Self-employed		0	0	0	**0**
	Subcontractors		251	271	281	**298**
	Volunteers		0	0	0	**0**
Minority	Employees with disabilities	Person	2	2	2	**2**
By position	Director and above (Male)	Person	61	67	66	**75**
	Director and above (Female)		12	19	25	**30**
	Manager - Senior Manager (Male)		255	320	371	**398**
	Manager - Senior Manager (Female)		142	180	228	**257**
	Assistant Manager and below (Male)		934	880	849	**826**
	Assistant Manager and below (Female)		707	692	668	**677**

1) Employees with more than 1 year contract or employees hired through the formal recruitment process, who are subject to employment regulations (Except for part-time workers)
2) Contract period is 1 month to less than 1 year
3) Contract period is less than 1 month
4) Working more than 40 hours a week
5) Working less than 40 hours a week (Those working at the daycare center)
6) Data on the number of workers by nationality is based on the nationality of Celltrion employees, not on the basis of overseas workplaces.
7) There is no sales department; hence, the no. of employees within the revenue-generating department is zero
8) Limited to workers representing the in-house sub-contractors

Employee Turnover Rate

Category		Unit	2019	2020	2021	2022
Turnover (Retirement) rate	Total turnover rate	%	12	10	13	**14**
	Voluntary turnover rate		6	5	8	**9**
By gender	Male	Person	114	94	133	**140**
	Female		142	118	155	**177**
By age	Under 30		189	116	225	**194**
	30 to 50		66	93	60	**111**
	Above 50		1	3	3	**12**
Internal hire rate [1]		%	55	70	89	**61**

1) Internal department transfer/ Internal department transfer + Experienced hires

Equal Pay (Pay for female employees compared with male employees) [1]

Category	Unit	2020	2021	2022
Executives				
Base salary	%	85	116	**92**
Base salary + other cash incentives		147	217	**100**
Managers				
Base salary	%	102	117	**100**
Base salary + other cash incentives		89	95	**98**
Non-managers				
Base salary + other cash incentives	%	92	85	**88**

1) Salaries depend on the years of service and performance appraisals with no influence based on gender, position, or business site.
* Based on business sites in Korea

Employees Using Parental Leave and Employees Returning from Parental Leave

Category		Unit	2019	2020	2021	2022
Employees who used childbirth leave	Total (Female)	Person	28	27	30	34
Employees who availed childcare leave	Total		40	35	33	57
	Male		7	7	5	8
	Female		33	28	28	49
Employees who returned to work after childcare leave	Total		40	35	33	54
	Male		7	7	5	8
	Female		33	28	28	46
Employees who served for 12 months or more after returning from childcare leave	Total		33	40	34	31
	Male		1	7	7	5
	Female		32	33	27	26
Employees who served for less than 12 months after returning from childcare leave [1]	Total		0	0	1	2
	Male		0	0	0	0
	Female		0	0	1	2

1) Employees who served for less than 12 months after returning from childcare leave: No. of employees who returned to work last year – No. of employees who served for more than 12 months after returning from childcare leave in this year

Performance Appraisal

Category		Unit	2019	2020	2021	2022
Performance appraisal rate [1]		%	80	80	80	80
	Male		80	80	80	80
	Female		80	80	80	80
Management by objectives (MBO) [2], systematic use of measurable targets agreed in consultation with the line superior			50	50	50	50
Formal comparative ranking of employees within the same employee category [3]			100	100	100	100
Multi-source performance appraisal [4]			0	0	0	0

1) Rate of performance appraisal: Rate of performance appraisal among the appraisal items
2) MBO: Although objectives are established at the beginning of the year, reviewing one's performance in line with the set goals is not mandatory
3) Formal comparative ranking of employees within the same employee category: This relative review process involves dividing employees into managers or higher levels and assistant managers or lower levels
4) Multi-source performance appraisal: This method is not applicable to general employees. Leadership diagnosis is conducted for high-ranking officials, and the result is used for organizational management evaluation.

Development of Employees by Education/Training

Category		Unit	2019	2020	2021	2022
Participants	Total	Person	175	153	156	352
	Male		83	82	92	174
	Female		92	71	64	178
Training hours	Total	Hour	3,066	2,779	2,669	9,580
	Male		1,586	1,910	1,728	4,667
	Female		1,480	869	941	4,913
Training expenditures	Total	KRW 100 million	1.2	0.9	1.0	3.0
Training hours per person	Male	Hour/person	19	23	19	27
	Female		16	12	15	28
	Korean		18	19	17	27
	Others		8	8	8	12
	Executives		18	0	0	23
	Mid-level managers		0	0	0	10
	Non-managers		18	19	17	29
Training expenditures per person	Male	KRW 10,000/ person	69	79	76	129
	Female		73	37	50	44
	Korean		72	59	66	85
	Others		7	113	34	115
	Executives		423	0	0	377
	Mid-level managers		0	0	0	27
	Non-managers		65	59	65	90
Ratio of investment in education		%	0.0122	0.0053	0.0062	0.0156

* Based on the number of employees who applied for external education (external seminars, academic conferences, programs, etc.) in 2019, 2020, 2021, and 2022.
** This section does not include basic mandatory training provided to all employees (sexual harassment prevention training provided at KRW 2,500/person for 1 hour and disability awareness training provided at KRW 2,500/person for 1 hour)
*** Ratio of investment in education= Training expenditures/Revenue

Training Programs

Category		Unit	2019	2020	2021	2022
General training (Job skills, leadership, etc.)	Training hours	Hour	5,856	0	2,652	**0**
	Participants	Person	366	0	156	**0**
Sexual harassment prevention training	Training hours	Hour	1,953	2,074	2,081	**2,120**
	Participants	Person	1,953	2,074	2,081	**2,120**
Other internal training [1] (Disability awareness training)	Training hours	Hour	1,947	2,055	2,088	**2,130**
	Participants	Person	1,947	2,055	2,088	**2,130**
Other internal training [2] (Workplace harassment prevention training)	Training hours	Hour	1,967	2,092	2,148	**2,189**
	Participants	Person	1,967	2,092	2,148	**2,189**
Other internal training [3] (Basic job training for E2 employees)	Training hours	Hour	4,708	4,025	4,587	**3,472**
	Participants	Person	281	286	366	**96**
Other internal training [4] (Training for new employees)	Training hours	Hour	14,801	5,535	6,314	**7,708**
	Participants	Person	361	135	154	**188**
Basic compliance training (Compliance and ethics)	Training hours	Hour	1,982	2,103	2,136	**2,170**
	Participants	Person	1,982	2,103	2,136	**2,170**
Advanced compliance training	Training hours	Hour	0	0	1,775	**463**
	Participants	Person	0	0	1,775	**409**
Specialized compliance training	Training hours	Hour	0	0	136	**122**
	Participants	Person	0	0	56	**43**
Anti-corruption management system training	Training hours	Hour	0	0	84	**93**
	Participants	Person	0	0	56	**62**

1) Disability awareness training (Online training in 2019-2021, 1 hour/person)
2) Workplace harassment prevention training (Online training in 2019, paper-based training in 2020 and 2021, 1 hour/person)
3) Other internal training: basic job training for E2 employees (Average training hours per person each year)
4) Other internal training: Training for new employees (Training hours for subjects each year)

* With the launch of the dedicated compliance department in 2021 and the establishment of a company-wide compliance system and anti-corruption management system (ISO 37001), compliance training and training on the anti-corruption management system are being provided based on a systematic training plan since 2021. In addition to the basic compliance and ethics training for employees in 2019 and 2020, conducted by the existing Internal Audit Team (the Compliance Team took over the training in 2021), there was no separate training regarding the compliance/anti-corruption management system.

Occupational Safety and Health

Category		unit	2019	2020	2021	2022
Lost Time Injury Frequency Rate (LTIFR)	Domestic employees	Case / 1 million working hours	0.21	0.00	0.00	**0.57**
	Suppliers		0.00	1.49	0.00	**1.44**
Rate of industrial accidents	Domestic employees	%	0.05	0.00	0.00	**0.14**
	Suppliers		0.00	0.36	0.00	**0.34**
Industrial accidents	Domestic	Case	1	1	0	**4**
	Overseas		0	0	0	**0**
	Employees		1	0	0	**3**
	Suppliers		0	1	0	**1**
Fatalities	Domestic	Person	0	0	0	**0**
	Overseas		0	0	0	**0**
	Employees		0	0	0	**0**
	Suppliers		0	0	0	**0**

* Scope of reporting by suppliers: Based on the industrial accident questionnaire
** Industrial accidents: Any work-related fatality, injury, or illness
*** For in-house suppliers

Compliance Reports and Action

Category		Unit	2019	2020	2021	2022
Reports submitted			9	29	35	18
Corrective actions taken for each category	Neglect of duty	Case	1	13	6	6
	Conflict of interest		0	0	0	0
	Bribery		0	0	0	0
	Misappropriation of assets		0	0	1	0
	Workplace harassment/Sexual harassment		2	6	4	5
	Violations of information security		1	1	7	1
	Other ethics violations		2	7	12	3
Corrective actions taken	Total		6	27	30	15
	Minor disciplinary actions		3	14	16	5
	Serious disciplinary actions		3	13	14	10

* For reported cases involving baseless claims or minor offenses, a simple warning was issued without any further punishment.

Employee Engagement

Category	Unit	2022
Target employees for surveys	Person	2,263
Participants in surveys		619
Rate of participation in surveys	%	27
Rate of highly engaged employees		55

Labor-Management Council

Category	Unit	2019	2020	2021	2022
Ratio of employees that are part of the Labor-Management Council	%	100	100	100	100
Labor-Management Council meetings regarding organizational changes such as restructuring and outsourcing	Case	4	4	4	4
Members	Person	1,982	2,074	2,081	2,120
Membership rate	%	100	100	100	100

* No labor union in operation

Empowerment of R&D Capability [1)]

Category		Unit	2019	2020	2021	2022
R&D manpower status	PhD degree	Person	55	52	54	55
	Master's degree		293	302	322	345
	Others		295	294	325	327
	Total		643	648	701	727
R&D investments	R&D expenditure	KRW million	303,177	384,774	397,967	412,283
	R&D intensity	%	27	21	21	18

1) R&D investments against revenues in the consolidated financial statements

Quality Inspection

Category		Unit	2019	2020	2021	2022
Customers [1)]	Quality inspections	Case	3	2	6	5
Health authorities [2)]	Due diligence		4	2	1	3
FDA	Due diligence		1	0	0	1
Total			8	4	7	9

1) Customers: Distributors, Qualified Certifiers (BSI - ISO 9001)
2) Health authorities: Korea, Russia, Türkiye, and Europe (FDA not included)

Information Security Investment and Training

Category		Unit	2019	2020	2021	2022
Investment in information security		KRW million	2,033	1,032	1,071	**1,466**
Information security training [1]	Training hours	Hour	1	1	1	**1**
	Participants	Person	1,987	2,094	2,106	**2,160**

1) Information security training is divided into information security training for all employees (once a year), information security training for new hires (once a month), and training for employees handling personal information (once a year). The above figures represent the no. of hours and employees pertaining to information security training conducted once a year for all employees.

Information Security Violations

Category		Unit	2019	2020	2021	2022
Complaints where violation of information security was proven	Complaints raised from outside and proven internally	Case	0	0	0	**0**
	Complaints raised by the regulatory authorities		0	0	0	**0**
	No. of cases regarding customer data leakage, theft, and loss that are proven		0	0	0	**0**
Occurrence of regulation violations and major penalties	Volume of major penalties related to the violation of information security rules and regulations	KRW million	0	0	0	**0**
	If there are no precedent cases, briefly mention the facts		0	0	0	**0**

Social Contribution Activities

Category		Unit	2019	2020[1]	2021[2]	2022
Employees volunteering	Volunteer hours per person	Hour/person	5	0	2	**1**
	Total volunteer hours	Hour	2,388	0	4	**74**
	Volunteers	Person	500	0	2	**74**

1) Employee volunteering activities were not conducted due to COVID-19
2) Only a minimum number of individuals participated to maintain the Volunteer Management System(VMS) certification

Contribution by Type

Category	2022	
	Amount (KRW million)	Ratio (%)
Charitable donations [1]	**420**	19
Community investments [2]	**1,816**	81
Commercial initiatives [3]	**0**	0
Total	**2,236**	100

1) Charitable donations: One-time or short-term contributions
2) Community investments: Long-term engagement and investment in communities
3) Commercial initiatives: Contributions and volunteering related to business activities

Recall

Category	Unit	2019	2020	2021	2022
Recalled products [1]	Product	0	0	0	**1**

1) Celltrion USA recalled the DiaTrust COVID-19 Ag Rapid Test kits
* Celltrion Healthcare, an affiliate of Celltrion, acquired Celltrion USA in August 2022.

Key Suppliers

Category	Sub-category		2022 Suppliers	2022 Share of procurement(%)
Tier 1	Total suppliers		374	100
	Suppliers by region	Domestic	250	15
		Overseas	124	85
	Key suppliers		19	80

Results of Supplier ESG Assessment in 2022

Category	Sub-category	No. of suppliers	Notes
Supplier ESG assessment	Key suppliers	19	-
	Self-assessment of key suppliers [2]	14	74% of key suppliers
	On-site assessment for key suppliers [3]	2	14% of suppliers that conducted a self-assessment
Identify suppliers with risk [1]	Suppliers with high risk	0	-
	Suppliers with low risk	1	-

1) Suppliers with high ESG risks: To check potential ESG risks, we used a total of 82 evaluation ind icators (23 in labor rights, 15 in environment, 24 in safety and health, 14 in ethical management, and 6 in management system). Suppliers with serious violations are identified as high-risk suppliers. Suppliers that are rated below a certain level are categorized as low-risk suppliers.
2) Self-assessment: Suppliers who have completed the online ESG self-assessment
3) On-site assessment: Third-party inspections involving external experts

ESG Training for Suppliers

Category		Unit	2022
Ethical management training of suppliers	Suppliers to be trained	No. of suppliers	19
	Suppliers who completed training		19

Political Contributions and Association Dues [1]

Category		Unit	2019	2020	2021	2022
Association dues	Total	KRW million	59	59	59	74
	Korea Biomedicine Industry Association		36	36	36	36
	Korea BIO		18	18	18	33
	Korea AEO Association		5	5	5	5

1) Celltrion, Inc. complies with the Political Funds Act (Corporations or organizations shall be prohibited from contributing political funds) and does not provide any lobbying and political funds.

APPENDIX

GRI Standards Index

Topic	Index	Contents	Reference page number	Additional information
General Disclosures				
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	2-2	Entities included in the organization's sustainability reporting	2	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information		No amendments/ changes to the previous report (initial report) 2021 Corporate governance report
	2-5	External assurance	2	
	2-6	Activities, value chains, and other business relationships	15	
	2-7	Employees	106	
	2-8	Workers who are not employees	107	
	2-9	Governance structure/composition	71-72	
	2-10	Nomination and selection of the highest governance body	71-74, 76	2021 Corporate governance report 36-38p
	2-11	Chair of the highest governance body	72	
	2-12	Role of the highest governance body in overseeing the management of impacts	18-19, 71-76	
	2-13	Delegation of responsibility for managing impacts	18-19, 71-76	
	2-14	Role of the highest governance body in sustainability reporting	18-19	
	2-15	Conflicts of interest	69	2021 Corporate governance report 28, 59p
	2-16	Communication of critical concerns	71-76	
	2-17	Collective knowledge of the highest governance body	74	
	2-18	Evaluation of the performance of the highest governance body	74, 76-77	
	2-19	Remuneration policies	76-77	2021 Corporate governance report 75p
	2-20	Process to determine remuneration	76-77	2021 Corporate governance report 75p
	2-21	Annual total compensation ratio	77	
	2-22	Statement on sustainable development strategy	8	
	2-23	Policy commitments	123-132	
	2-24	Embedding policy commitments	51-53	
	2-25	Processes to remediate negative impacts	52-53	
	2-26	Mechanisms for seeking advice and raising concerns	52	
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	3-2	List of material topics	24	
	3-3	Management of material topics	25-33	
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		Material topic 3.	31-33	
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	201-4	Financial assistance received from government	29, 101	
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Indirect Economic Impacts	203-1	Infrastructure investments and services supported	65-66	
	203-2	Significant indirect economic impacts	25-27	
Procurement Practices	204-1	Proportion of spending on local suppliers	87	

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	205-2	Communication and training about anti-corruption policies and procedures	80, 129	
	205-3	Confirmed incidents of corruption and actions taken	81	
Taxation	207-1	Approach to tax	84-85, 131	
	207-2	Tax governance, controls, and risk management	84-85, 131	
	207-4	Country-by-country reporting	101	
Energy	302-1	Energy consumption within the organization	39, 102	
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	303-4	Water discharge	103	
	303-5	Water consumption	103	
Biodiversity	304-2	Significant impacts of activities, products and services on biodiversity	42, 124	
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	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	48	
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	403-3	Occupational safety and health services	59	
	403-4	Worker participation, consultation, and communication on occupational safety and health	56	
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	403-7	Prevention and mitigation of occupational safety and health impacts directly linked by business relationships	59	
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TCFD (Task Force on Climate-related Financial Disclosures)

Celltrion is monitoring the impact of climate change on its business continuously in order to respond to the climate crisis, a global issue. The ESG Committee of the Board of Directors reviews climate change-related risks and opportunities and discloses related potential risks based on recommendations of the TCFD.

TCFD Requirements		Reference Page Number
1. Governance Disclose the organization's governance around climate-related risks and opportunities	A. Describe the board's oversight of climate-related risks and opportunities	38
	B. Describe management's role in assessing and managing climate-related risks and opportunities.	38
2. Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	38
	B. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	38
	C. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	-
3. Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	A. Describe the organization's processes for identifying and assessing climate-related risks.	38
	B. Describe the organization's processes for managing climate-related risks.	38
	C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	38
4. Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	38
	B. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	38, 103
	C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	38

SASB (Sustainability Accounting Standards Board)

Celltrion discloses qualitative and quantitative data for each of the topics applicable to the Biotechnology & Pharmaceuticals industry in accordance with the US SASB recommendations, and manages our internal data in compliance with recognized international standards.

Topic	Measurement Indicator	Category	Unit	Code	Reference Page Number	Note
Safety of Clinical Trial Participants	Discussion, by world region, of the management process for ensuring quality and patient safety during clinical trials	Qualitative	N/A	HC-BP-210a.1.	54	
	Number of FDA Sponsor Inspections related to the management of clinical trials and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	Quantitative	Number	HC-BP-210a.2.	-	
	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	Quantitative	Reporting currency	HC-BP-210a.3.	-	
Access to medicines	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	Qualitative	N/A	HC-BP-240a.1	26	
	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	Qualitative	N/A	HC-BP-240a.2	14, 29	
Affordability and pricing	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	Quantitative	Number	HC-BP-240b.1	-	
	Percentage change in: (1) average list price and (2) average net price across the U.S. product portfolio compared to the previous year	Quantitative	Percentage (%)	HC-BP-240b.2	-	
	Percentage change in: (1) list price and (2) net price of the product with the largest increase compared to previous year	Quantitative	Percentage (%)	HC-BP-240b.3	-	
	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	Qualitative	N/A	HC-BP-250a.1	-	
	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	Quantitative	Number	HC-BP-250a.2	-	
	Number of recalls issued, total units recalled	Quantitative	Number	HC-BP-250a.3	111	
	Total amount of product accepted for take-back, reuse, or disposal	Quantitative	Metric tons (t)	HC-BP-250a.4	-	
	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	Quantitative	Number	HC-BP-250a.5	-	
Counterfeit Drugs	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	Qualitative	N/A	HC-BP-260a.1	-	
	Discussion of the process for alerting customers and business partners of potential or known risks associated with counterfeit products	Qualitative	N/A	HC-BP-260a.2	-	
	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products.	Quantitative	Number	HC-BP-260a.3	-	
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Quantitative	Reporting currency	HC-BP-270a.1	-	
	Description of the code of ethics governing promotion of off-label use of products	Qualitative	N/A	HC-BP-270a.2	131	
Employee Recruitment, Development and Retention	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	Qualitative	N/A	HC-BP-330a.1	45-46, 110	
	(1)Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others	Quantitative	Rate	HC-BP-330a.2	107	
Supply Chain Management	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for ensuring the integrity of supply chain and ingredients	Quantitative	Percentage (%)	HC-BP-430a.1	-	
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	Quantitative	Reporting currency	HC-BP-510a.1	-	
	Description of the code of ethics governing interactions with health care professionals	Qualitative	N/A	HC-BP-510a.2	-	

UN SDGs (UN Sustainable Development Goals)

Celltrion actively supports the United Nations Sustainable Development Goals (SDGs) to address the economic, environmental and social challenges facing humanity.
Celltrion is committed to conducting our business activities in line with the goal of promoting human health and well-being and the UN SDGs to exercise good influence and contribute to achieving shared global objectives.

	SDGs	Description	Reference Page Number
	**No Poverty**	End poverty in all its forms, everywhere.	65-66
	**Good Health and Wellbeing**	Ensure healthy lives and promote well-being for all, at all ages.	36-37, 47-48, 56-59, 61-62, 65-66
	**Quality Education**	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	45-46
	**Gender Equality**	Achieve gender equality and empower all women and girls.	47-48, 51-53
	**Clean Water and Sanitation**	Ensure availability and sustainable management of water and sanitation for all.	36-42
	**Affordable and Clean Energy**	Ensure access to affordable, reliable, sustainable, and modern energy for all.	36-42
	**Decent Work and Economic Growth**	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.	11-12, 45-48, 56-59, 71-77, 87-90

	SDGs	Description	Reference Page Number
	**Industry, Innovation and Infrastructure**	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.	11-12, 15, 29-30, 32-33
	**Responsible Consumption and Production**	Ensure sustainable consumption and production patterns	61-63
	**Climate Action**	Take urgent action to combat climate change and its impacts	36-42
	**Life Below Water**	Conserve and sustainably use the oceans, seas, and marine resources for sustainable development	36-42
	**Life on Land**	Protect, restore, and promote sustainable use of terrestrial ecosystems, manage forests, combat desertification and biodiversity loss, and halt and reverse land degradation.	36-42
	**Peace, Justice and Strong Institutions**	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions.	47-48, 79-81
	**Partnerships for the Goals**	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	116

Independent Assurance Statement

To: The Stakeholders of Celltrion Co., Ltd.

Introduction and Objectives of Work

BSI Group Korea (hereinafter "the Assurer") was requested to verify Celltrion 2022/2023 ESG Report (hereinafter "the Report"). This assurance statement applies only to the relevant information included in the scope of the assurance. Celltrion is solely responsible for all information and assertion contained in the Report. The responsibility of the Assurer is to provide Celltrion Management with independent assurance statement based on its expert opinions by applying the verification methodology for the specified assurance scope. It is also to provide the information to all stakeholders of Celltrion.

Standards and Levels

This assurance was based on the AA1000AS (Assurance Standard) v3 (2020) Assurance Standard and confirmed that the Report was prepared in accordance with the GRI Standards, the international standards guidelines of sustainability reports. In accordance with the AA1000 AS, the assurance level was Moderate Level, and conducted against Type 1 to confirm compliance with the four principles of the AA1000 AP (AccountAbility Principles) 2018.

Scope

The scope of assurance applied to the Report is as follows;

- Report contents during the period from January 1st to December 31st 2022 included in the report, some data included 2023.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review

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

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

Methodology

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

- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible department
- Verification of data generation, collection and reporting for each performance index

Limitation

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

Results of Assurance

According to our assurance review, nothing has come to our attention that causes us to believe that the information and data presented in Celltrion's report are misstated in any material respect. We believe that the report is in accordance with the GRI Standards, and our assurance opinion on the four principles set out in the AA1000 AP (2018) is as below.

Assurance Opinion

On the basis of our methodology and the activities described above, it is our opinion that

- The information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement.
- The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards)
- The assurance opinions on the four principles presented in the AA1000 AP (2018) are as follows.

AA1000 AP (2018)

Inclusivity: Stakeholder Engagement and Opinion

Celltrion defined customers, employees, shareholders/investors, central and local governments, suppliers and local Communities as key stakeholder groups, and operated communication channels for each stakeholder group for engagement. Celltrion reflected key issues derived from stakeholder channels to sustainability management decisions and disclosed the process in the Report.

Materiality: Identification and reporting of material sustainability topics

Celltrion established the strategy related to sustainability management and established the process to derive reporting issues. Celltrion identified financial and social/environmental impacts and derived 10 material topics based on the analysis of media research, benchmarking global advanced companies in its field, and analysis of major global initiatives related to sustainability.

Responsiveness: Responding to material sustainability topics and related impacts

Celltrion established the management process for material topics determined by the materiality assessment, and implemented a response plan for each topic to appropriately respond to the derived material topics that reflects the expectations of stakeholders. Celltrion disclosed the relevant process including establishing policy and indicators, activity and response performance on key reporting issues in the Report.

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

Celltrion established the process to identify and evaluate the impact on organizations and stakeholders related to material topics. Celltrion used impacts, risk and opportunity factor analysis results for material topics to make decisions to develop response strategies for each issue, and disclosed the process in the Report.

Key areas for ongoing development

- It may be helpful to further clarify sustainability-related mid- to long-term goals and strategies to internalize ESG management, and to disclose monitoring indicators under the ESG roadmap.
- It may be helpful to establish roles and responsibilities associated with ESG's board of directors.

Statement of independence and competence

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

Evaluation against GRI 'In Accordance' Criteria

[Universal Standards]

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

[Topic Standards]

201-1~2, 201-4, 202-1~2, 203-1~2, 204-1, 205-1~3, 207-1~2, 207-4, 302-1, 302-3~4, 303-2~5, 304-2, 305-1~2, 305-4~5, 305-7, 306-3~5, 308-1~2, 401-1~3, 403-1~9, 404-1~2, 405-1~2, 406-1, 413-1, 417-1

25 Apr 2023
S. H. Lim
BSI Group Korea, Managing Director

AA1000 Licensed Report 000-4/V3-YADTU

GHG Verification Report

Celltrion, Inc.

Korea Management Registrar has assured the GHG emissions (Scope 1 and 2) of Celltrion for the year 2022.

Scope of Assurance

Assured all business sites and emission facilities under the operational control of Celltrion, Inc.

Assurance Standard

· ISO 14064-1:2006, ISO 14064-3:2006
· WRI/WBCSD GHG Protocol
· IPCC Guidelines for National Greenhouse Gas Inventories (2006)
· Operational guidelines for emissions reporting and certification in greenhouse gas emissions trading programs

Assurance Limitations

The assurance has inherent limitations that may arise from the application of criteria and methods.

Assurance Opinion

· The Assurance Engagement was conducted to arrive at a reasonable level of assurance based on the Assurance Standards.
· We indicate that no material errors in the calculation of the emissions were found during the assurance engagement and that the relevant activity data and evidence were managed and calculated properly. We issue a final opinion that the result is "appropriate."
· Materiality: The threshold of less than 5% met

(Unit: tCO_2-eq/yr.)

GHG emissions	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total (tCO_2-eq)
2022	21,219	35,299	56,517

Energy usage	Fuel	Electricity	Steam	Total (TJ)
2022	418	738	0	1,155

* Scope 1 and Scope 2 emissions are from statements submitted to the Ministry of Environment.

April 18, 2023

㈜한국경영인증원

Awards and Association Memberships

Awards

Name of Award	Year	Details	Awarding Body
5th Korea KOSDAQ Award	2011	Won the Grand Prize (Minister of Knowledge Economy Award)	KOSDQA Listed Companies Association
3rd Asia Women Index Award	2018	Won the Grand Prize (Minister of Gender Equality and Family Award)	Asia Business Daily
iR52 Jang Young-Shil Award	2019	Won iR52 Jang Young-Shil Award for two consecutive years (2018-2019)	Korea Industrial Technology Association
28th Dasan Management Award	2019	Won the Entrepreneur of the Year Award	Korea Economic Daily
2020 Korea Trade Research Association's Grand Trader Award	2020	Won the Grand Prize	Korea Trade Research Association
25th National Academy of Engineering of Korea Award	2021	Won the Grand Prize	National Academy of Engineering of Korea
EY World Entrepreneur Of The Year™	2021	Won the Best Entrepreneur Award, a first among Koreans	EY
The 5th Tax Payment Award	2022	Won the Grand Prize in the pharmaceutical and bio sector more than three times	Joseilbo

Association Memberships and Sponsorship (As of 2022)

Organization	Amount (KRW million)
Incheon Chamber of Commerce & Industry	80
Korea Biomedicine Industry Association	36
Korea Biotechnology Industry Organization	33
Korea Exchange	30
Korea Listed Companies Association	14
Korea Pharmaceutical and Bio-Pharma Manufacturers Association	9
KSH (Korean Society of Hypertension)	6
ICDM (International Congress of Diabetes & Metabolism)	6
ESH (European Society of Hypertension)	6
ESC (European Society of Cardiology)	6
Others (Korea Chemicals Management Association, etc.)	40
Total Expenditures	266

ESG Guidelines

Environmental Safety and Health Policy

Article (Objective)
Celltrion established the Environmental Safety Health Policy to pursue sustainable management based on the trust of various stakeholders, such as employees, customers, shareholders and investors, suppliers, and local communities, by ensuring compliance with laws, regulations, and procedures related to environment, safety, and health (ESH), managing emissions and hazardous substances at a standard stricter than the legal requirements, and conducting eco-friendly business activities to fulfill our responsibility to protect the environment.

Article 2 (Scope)
This policy applies to Celltrion's headquarters, domestic and foreign corporations, and subsidiaries. Compliance with this policy is also encouraged for all stakeholders with whom Celltrion has business relationships, including suppliers.

Article 3 (Basic Principles of Environmental Management)
① We comply with domestic and international environmental laws and regulations and apply strict internal management standards.
② We establish and operate an environmental management system in line with international standards.
③ We strive continuously to protect the environment and minimize environmental impacts, including greenhouse gas emissions, in all business activities, including the production and distribution processes, management of business sites, and performance of services.
④ We take all measures to enhance resource efficiency and reduce resource use, and thoroughly manage waste.
⑤ We check the development potential of the environmental management system and improve its efficiency.
⑥ We comprehensively consider ESG performance, including environmental management, when evaluating suppliers (supply, contract, and service), and communicate this policy to key business partners to promotes a corporate culture that cares for the environment.
⑦ We identify the environmental impacts of a company's business activities during due diligence and mergers and acquisitions, and reflect them in major decisions.
⑧ We disclose environmental management policies and performance to internal and external stakeholders to raise awareness.
⑨ We provide regular environmental education for all employees and major suppliers to help them understand and practice the environmental management system, and spare no efforts to minimize environmental impact.

Article 4 (Goals of Environmental Management)
Celltrion establishes the following objectives for environmental management and discloses the implementation progress on the official website and ESG.
1. We monitor the progress in achieving emission targets on a regular basis and upgrade our environmental management system to respond to climate change proactively.
2. We strive to internalize an eco-friendly corporate culture by introducing environmental management KPIs, strengthening environmental education for employees, and disclosing environment-related information transparently to create an eco-friendly corporate culture.

Article 5 (Basic Principles of Safety and Health Management)
① We comply with relevant domestic and international laws and regulations to prevent safety accidents/disasters, and establish internal safety and health regulations that are stricter than legal requirements. Workers are provided training related to the standards established by the company, including the safety-related work manual, and perform their work according to the established procedures.
② We establish and operate a safety and health management system in accordance with international standards, and comply with management standards under the International Labor Organization (ILO) Safety and Health Convention.
③ We strive to prevent industrial accidents by continuously managing and improving the safety and health management system.
④ We create and run an Occupational Safety and Health Committee consisting of an equal number of workers and management representatives. We conduct safety and health-related deliberations and approvals by holding committee meetings once a quarter.

Article 6 (Goals of Safety and Health Management)
Celltrion establishes the following objectives for implementing safety and health management, and discloses related progress through its website and ESG Report.
1. Zero major accidents / major industrial accidents at all worksites
2. Minimize the occurrence of work-related injuries and diseases among employees

Article 7 (Organization)
For responsible ESH management, the ESG Committee, a committee under the BoD, serves as the top decision-making body. Major issues of ESH management are reported to the CEO, who makes decisions on major issues to be resolved and reports the outcome to the ESG Committee. Dedicated working-level organizations that implement ESH management are the ESG Management Team, which is in charge of planning policies; the Environment Health Safety 2 Team, which is in charge of implementing environment-related policies (including Biodiversity Policy and Deforestation Prohibition Policy); and the Safety Management Team, which is in charge of implementing safety and health-related policies.

Biodiversity Policy

Article (Objective)
Celltrion supports the protection of biodiversity around the globe, including communities, and has established the Biodiversity Policy to minimize the environmental impact of its business operations on biodiversity.

Article 2 (Scope)
This policy applies to Celltrion's headquarters, domestic and foreign corporations, and subsidiaries. Compliance with this policy is also encouraged for all stakeholders with whom Celltrion has business relationships, including suppliers.

Article 3 (Basic Principles)
① We conduct an environmental impact assessment before starting a business site in a new region to minimize the impact of the business on local life.
② If we operate the business in and near areas that are important from a biodiversity perspective and cause negative environmental impacts, we take all measures to restore these areas immediately to minimize damage.
③ All business sites subject to international agreements related to the protection of biodiversity and land (World Heritage Areas, IUCN Category I-IV Protected Areas) shall comply with the relevant country's and region's legal requirements.
④ This policy applies to all business sites, and we make efforts to apply it to our key supply chains.
⑤ We work with civil and environmental organizations in the vicinity of our business sites to implement this policy and communicate with various stakeholders to enhance biodiversity.
⑥ We have developed a system to check risks that threaten biodiversity when expanding business sites and operating new business sites; and established a monitoring system to check for the occurrence of negative environmental impacts.
⑦ We establish biodiversity goals for prioritized areas to achieve No Net Loss (NNL).

Article 4 (Goals)
Celltrion has established the following objectives to implement this policy and will disclose the implementation progress on its website and in the ESG Report.
- Achieve Net Positive Impact (NPI) [1] and No Net Loss (NNL) [2] by 2050 at business sites with critical habitats.

1) Net Positive Impact (NPI): Activities that have a positive impact on ecological diversity, such as conservation, restoration, and enhancement of biodiversity.
2) No Net Loss (NNL): Business operations without degradation or loss of biodiversity.

Deforestation Prohibition Policy

Article 1 (Objective)
Celltrion recognizes that the best nature-friendly solution to the climate crisis is the protection of forests, supports activities to stop deforestation and protect forests around the world, and establishes this policy to minimize the impact of its business operations on forests.

Article 2 (Scope)
This policy applies to Celltrion's headquarters, domestic and foreign corporations, and subsidiaries. Compliance with this policy is also encouraged for all stakeholders with whom Celltrion has business relationships, including suppliers.

Article 3 (Basic Principles)
① We do not cause destruction of forests through forest clearance.
② We restore green areas, including forests, when we withdraw from existing business sites.
③ This policy applies to all business sites, and we make efforts to apply it to our major supply chains.
④ We work with civic and environmental groups near our business sites to implement this policy.
⑤ We establish a system to check risks that threaten the protection of forests when expanding the existing business sites and operating new business sites, and establish a monitoring system to check for the occurrence of negative environmental impacts.

Article 4 (Goals)
Celltrion has established the following objectives to fulfill this policy and will disclose the implementation progress on its website and in the ESG Report.
- Achieve Zero Net Deforestation by 2050

Article 5 (Operating System)
① Deforestation Risk Management System:
Celltrion practices forest protection in accordance with this policy and has established the necessary deforestation risk management system. Accordingly, we evaluate and monitor deforestation risks regularly, disclose the results, and communicate with stakeholders.

② Scheme for Communication with Stakeholders
Celltrion's forest protection goals and performance are disclosed on its website and in ESG Report, and any interested party may report any violations of this policy via email (ESG@celltrion.com).

Waste Management Policy

Article 1 (Objective)
Celltrion has established this policy to prevent environmental accidents and create a pleasant environment by complying with domestic and foreign laws and regulations related to waste; establishing and operating its own waste management system; collecting, storing, transporting, and treating waste properly; and minimizing the generation of waste.

Article 2 (Scope)
This policy applies to Celltrion's headquarters, domestic and foreign corporations, and subsidiaries. Compliance with this policy is also encouraged for all stakeholders with whom Celltrion has business relationships, including suppliers.

Article 3 (Basic Principles)
① Celltrion and its business sites shall discharge wastes in accordance with local waste management laws. They shall dispose of industrial wastes themselves or outsource them for disposal in accordance with the Waste Management Act.
② Designated wastes shall be discharged in accordance with local waste management laws. Furthermore, Celltrion shall dispose of designated wastes generated at the business sites themselves or outsource them to be disposed of in accordance with the Waste Management Act.
③ When storing and transporting the waste, we shall comply with our waste management and treatment guidelines, be careful and always check not to cause environmental pollution.
④ We shall submit appropriate documents in accordance with local waste management laws when reporting waste discharge.
⑤ Waste managers must complete related training.

Chemical Safety Management Policy

Article 1 (Objective)
Celltrion has established this policy to comply with domestic and international laws and regulations and global standards related to chemicals; protect the safety of all persons involved in handling chemicals; and minimize environmental risks by procuring, storing, transporting, using, and disposing of chemicals safely and systematically.

Article 2 (Scope)
This policy applies to Celltrion's headquarters, domestic and foreign corporations, and subsidiaries. Compliance with this policy is also encouraged for all stakeholders with whom Celltrion has business relationships, including suppliers.

Article 3 (Basic Principles)
① All employees, as well as employees of all suppliers working at our business sites, receive training related to hazardous chemicals and emergency response training to remain prepared for any chemical accidents.
② Facilities that handle hazardous chemicals are subject to regular inspections, safety diagnosis, frequent inspections, and external impact assessments (when changes to chemical facilities or substances are planned), and we make immediate improvements if found necessary as a result of inspections.
③ Inspectors and those in charge shall regularly and internally inspect facilities handling hazardous chemicals.
④ Chemical managers of relevant departments shall conduct regular joint inspections.
⑤ The system manages performance related to hazardous chemicals, and the person in charge manages the history.
⑥ We check whether emissions are subject to investigation, and if so, we prepare the investigation results.
⑦ When importing chemicals, check the review request.
⑧ We prepare and manage the site layout map of hazardous chemical facilities.
⑨ We handle hazardous chemicals in accordance with MSDS standards and display MSDS on site.
⑩ We notify workers that the storage area for specially managed substances is where specially controlled substances are handled, and post a warning sign instructing them to wear appropriate protective gear. We keep a log when work involves the handling of specially controlled substances, which the chemical manager and the person in charge of relevant departments should manage.
⑪ We conduct periodic measurements of the work environment regarding chemicals handled in the workplace and share the results with the department that uses the chemicals.

Human Rights Policy

Article 1 (Objective)

Celltrion puts human rights first in its business philosophy and respects the human rights of all stakeholders. We have established this policy to practice human rights management by supporting human rights principles proposed by the Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, the UN Convention on the Rights of the Child (CRC), the Fundamental Conventions of International Labor Organization (ILO), and the Corporate Human Rights Benchmark (CHRB).

Article 2 (Scope of Application)

This policy applies to Celltrion's headquarters, domestic and foreign corporations, and subsidiaries. Compliance with this policy is also encouraged for all stakeholders with whom Celltrion has business relationships, including suppliers.

Article 3 (Basic Principles)

① No Discrimination
We prohibit all discriminatory behavior based on an individual's sex, race, religion, nationality, ethnicity, gender identity, social status, or political opinion without a reasonable cause. Discriminatory behaviors include any unfair behaviors in hiring, promotion, evaluation and compensation, retirement and termination, and educational opportunities.

② Increase Diversity and Inclusion
We respect the diverse perspectives of our employees based on the principles of non-discrimination and strive to build an inclusive corporate culture. We also make efforts to increase organizational diversity and help employees reach their potential.

③ No Workplace Harassment
We prohibit all physical and mental bullying that takes advantage of one's position and relationships in the workplace. Bullying includes intimidation, ostracism, and sexual harassment/sexual violence in the workplace, and immediate actions shall be taken to protect the victim in the event of damage. When verifying the facts, the cases will be strictly handled in accordance with the principle of zero tolerance, including appropriate disciplinary measures.

④ Preventing Human Trafficking and Modern Slavery
We prohibit acts of intimidation, confinement, and assault for work and allow zero tolerance to infringement upon human rights, such as human trafficking and modern slavery.

⑤ No Forced Labor
We do not force individuals to work against their free will, nor store the original copy of workers' personal documents such as identification cards, passports, or work permits issued by the government as a condition for employment.

⑥ Prohibition of Child Labor
We do not employ children, and prevent risks in the recruitment process by checking the age of new hires. If child labor is found, we check the child's condition immediately and take measures to protect the child's human rights according to due procedure.

⑦ Freedom of Association and Collective Bargaining
We respect the labor relations laws of each country or region and provide sufficient communication opportunities for all employees.

⑧ Equal Pay Guaranteed
We guarantee equal opportunities and treatment for men and women in evaluation to determine employment, wages, etc.

Article 4 (Operating System)

① Human Rights Risk Management System
Celltrion shall practice human rights management in accordance with this policy and has established the necessary human rights risk management system. Accordingly, we assess and monitor human rights risks regularly and disclose the results to communicate with stakeholders. In addition, we review the human rights risk management system regularly to respond to social changes and potential risks proactively.

② Grievance Handling Process

1. Celltrion operates the following channels to receive cases of human rights violations.
   A. We receive opinions through relevant managers.
   B. We operate an anonymous communication channel (Tongnamu).
   C. We receive cases online (Tong@celltrion.com).
   D. We operate the Organizational Culture Office Grievance Consultation Channel (ER Team).
   E. We operate the Grievance Handling Committee Member System
2. Upon receiving a report of human rights violations, the contents shall be verified and investigated, and appropriate actions will be taken. If a case of damage is confirmed, it will be reported to a committee or management meeting involving top decision-makers, etc., and measures will be taken to prevent further damage. All reports and the informant's identity are treated anonymously and anonymity is thoroughly guaranteed, and any kind of disadvantage or retaliation due to reporting is prohibited. If gross misconduct or unfair behavior is identified in a report, it shall be handled in accordance with internal regulations.

Access to Medicines Policy

Article 1 (Objective)
Celltrion has established this policy to improve human health and welfare through the development of next-generation medicines, improve the health of patients in the underprivileged class who have difficulty accessing medicines, and provide them with high-quality medicines.

Article 2 (Scope)
This policy applies to Celltrion's headquarters, domestic and foreign corporations, and subsidiaries. Compliance with this policy is also encouraged for all stakeholders with whom Celltrion has business relationships, including suppliers.

Article 3 (Basic Principles)
① We try to develop innovative products that facilitate access to medicines. Innovative product development includes research and development of medicines for neglected diseases.
② We recognize the need to improve access to medicines for the underprivileged classes who lack medical services, including patients in the Least Developed Countries (LDCs), and participate in initiatives that make joint efforts to strengthen local healthcare capacity and establish pricing policies in LDCs.
③ We support improving local capacity to monitor the post-marketing effectiveness and side effects of pharmaceutical products.
④ We support local manufacturers to meet international GMP standards.
⑤ We provide support to local healthcare practitioners to improve their ability to administer medicines and manage patients properly.
⑥ We work with local regulatory authorities of different regions to ensure widespread drug registration so that patients in as many countries as possible have access to the proper treatment.
⑦ We strive to increase access to medicines by providing free medicines to vulnerable classes and improve the effectiveness of free medicines by managing eligible patients.
⑧ We recognize that not exercising patent rights on intellectual property for products related to diseases within the scope of the Access to Medicine Index in least-developed and Low-Income Countries (LICs) can help increase access to medicines for vulnerable classes. Accordingly, we consider access to medicines in least-developed and Low-Income Countries (LICs) when filing patent applications in those countries.

Supplier ESG Management Policy

Article 1 (Objective)
Celltrion has established this policy based on international norms and standards, laws and regulations, and the Responsible Business Alliance's Code of Conduct in order to build a sustainable supply chain by specifying the global social responsibilities that all suppliers with whom we do business must fulfill, and by defining compliance in the areas of labor and human rights, safety and health, environment, and ethical management.

Article 2 (Scope)
This policy applies to all suppliers Celltrion has entered into a business agreement with. All suppliers shall try to comply with this policy and encourage their workers and vendors (subcontractors) to comply with it.

Article 3 (Basic Principles)
① Labor and Human Rights
1. Voluntary Labor
   A. Suppliers shall not allow any form of forced labor and shall prohibit work that is not guaranteed to be voluntary.
   B. Labor contracts must specify working conditions, such as wages and working hours, and shall be written in a language that workers can understand, and be provided in writing.
   C. Suppliers shall not demand or store original copies of workers' personal documents such as identification cards or passports.
   D. Suppliers shall not unreasonably restrict workers' access to and movement within workplace facilities, including cafeterias, restrooms, and dormitories.
   E. Money and valuables shall not be requested in exchange for employment, and if a worker is found to have provided money, it must be repaid immediately.
2. Prohibition of Child Labor and Protection of Child Workers
   A. Suppliers shall prohibit all forms of child labor. A child is defined as a person below 15 or the age subject to mandatory education in accordance with the ILO Core Conventions. If the age criteria set by local laws and regulations is different, the lower age shall apply.
   B. Suppliers shall verify the age of applicants using official documents, such as IDs and birth certificates, to prevent child labor when hiring workers.
   C. If a child worker is found in the workplace, appropriate measures shall be taken, such as checking the child's health condition regularly and supporting mandatory education according to the child's wishes.
   D. Workers below 18 are prohibited from harmful or dangerous work, including night work, and are required to observe working hours as set by international standards and local laws and regulations.
3. Working Hours
   A. Suppliers shall comply with the working hours defined by the local laws and regulations of the area where the business site is located and the core conventions of the International Labor Organization, and if the standards are different, the stricter one shall apply.
   B. Suppliers shall respect workers' voluntary willingness to work overtime and pay overtime wages in accordance with local laws and regulations.
   C. At least one paid holiday per week on average shall be guaranteed for workers.

4. Wages and Benefits
   A. Suppliers shall pay wages to workers on a predetermined date in accordance with local laws and regulations.
   B. Suppliers shall disclose the details of wage payments through pay stubs written in a language that the workers can understand.
5. Humane Treatment
   A. Suppliers shall prohibit bullying, including sexual harassment or sexual violence, mental or physical coercion, verbal abuse, punishment, and unreasonable restrictions in the workplace against workers, and shall take all measures to prevent sexual harassment and bullying in the workplace.
   B. Partners shall guarantee that anyone can report acts specified in Paragraph 1 by creating a channel for reporting cases of damage, and the reporting channel shall ensure the anonymity of the informant and also make sure that the informant does not suffer any disadvantage for reporting.
   C. Suppliers shall develop procedures for dealing with damage cases and take appropriate measures that respect the affected worker.
6. Prohibition of Discrimination and Harassment
   A. Suppliers shall specify that they apply the principle of zero tolerance for any discriminatory behavior.
   B. Suppliers shall prohibit bullying or discrimination in hiring, performance appraisal, compensation, promotion, wages, and benefits, and provision of education and training opportunities based on gender, age, race and ethnicity, color, gender orientation and identity, disability, religion, political affiliation, labor union membership, nationality, or marital and pregnancy status, etc.
7. Freedom of Association
   A. Suppliers shall guarantee workers' freedom of association and collective bargaining. Workers may establish legitimate bargaining organizations and join and leave labor unions freely.
   B. Workers shall be able to communicate with the management about working conditions without fear of retaliation, intimidation, penalization, or discrimination.

② Safety and Health
1. OHS Management System and Training
   A. Suppliers shall comply with local safety and health laws and regulations and obtain and renew safety and health-related licenses necessary for business operations.
   B. Suppliers shall establish a safety and health-related organization, develop management plans and procedures, and check and improve risk factors regularly to prevent safety accidents during business operations.
2. Industrial Safety
   A. Suppliers shall check and evaluate the safety of production facilities and processes regularly.
   B. Suppliers shall provide workers with personal safety gear, which shall be replaced and maintained periodically.
3. Preparation for Emergency
   A. Suppliers shall minimize damage by identifying risks and developing emergency response procedures to prevent emergency situations. They shall create response scenarios by situation and prepare a manual for response measures. Based on this, suppliers shall conduct regular evacuation drills to enable workers respond effectively to emergency situations.
   B. Firefighting facilities such as fire detectors and alarms shall be installed in appropriate locations and shall be checked for operation on a regular basis.
   C. Evacuation lighting shall be installed along emergency evacuation routes to enable rapid evacuation in the event of an emergency, and an evacuation map shall be displayed to guide workers to evacuation routes at all times. Firefighting facilities and emergency evacuation routes shall be kept free of loads to enable quick response to emergencies.
4. Industrial Accidents
   A. Suppliers shall establish procedures to prevent, track, manage, and report industrial accidents and occupational diseases.
   B. In the event of an industrial accident or occupational disease, the scope of the damage caused by the accident or disease shall be investigated, and its cause shall be analyzed, and efforts shall be made to mitigate the risk by establishing appropriate improvement measures.
   C. In accordance with local laws and regulations, regular medical examinations shall be conducted for workers, and improvement measures shall be established and implemented if occupational diseases are identified through medical examinations.
5. Industrial Hygiene
   Suppliers shall conduct regular risk assessments to identify chemical, biological, and physical hazards at the workplace. They shall also check the hazards in the workplace, including measuring the hazardous environmental factors in the workplace. Suppliers shall disclose identified hazards and harmful elements to workers and devise measures to mitigate the risks.
6. Physical Labor
   Suppliers shall regularly check whether physically demanding work is causing musculoskeletal disorders to workers. If the possibility of musculoskeletal disorders or diseases is identified, efforts should be made to change the workplace or improve processes.
7. Maintaining the Safety of Machinery and Equipment
   A. Suppliers shall conduct regular safety inspections to control and eliminate risks of machinery and equipment, and manage machinery and facilities through appropriate maintenance activities.
   B. Suppliers shall provide workers with clear and complete instructions on how to use machines and equipment and operate them safely, and shall provide emergency stop buttons to prevent safety accidents.
8. Sanitation, Food, and Housing
   A. In the case of operating a cafeteria, necessary licenses shall be obtained and managed. Regular cleaning and inspections shall be carried out for the sanitization of cooking facilities.
   B. In the case of operating a dormitory, emergency escape facilities, and firefighting facilities shall be inspected regularly, and the dormitory shall be kept clean and safe through regular cleaning and pest control activities.

③ Environment

1. Environmental License and Reporting
   A. Suppliers shall obtain and renew the necessary environmental licenses needed in the course of business operations.
   B. Suppliers shall comply with the requirements stipulated by local environmental laws and regulations in the course of business operations.
2. Hazardous Substances
   A. Suppliers shall establish and manage procedures for handling, transporting, storing, using, recycling, and disposing of hazardous chemicals to prevent the leakage of hazardous substances to the outside.
   B. Suppliers shall check whether the raw materials, parts, products, etc., they handle are harmful to the human body or the environment.
   C. In locations and on containers where hazardous chemicals are used and stored, signs shall be posted to inform workers of the hazards of the chemicals.
3. Waste
   A. Suppliers shall discharge waste in accordance with the legal disposal methods specified in local laws and regulations.
   B. Suppliers shall introduce measures to reduce waste emissions by measuring and managing waste emissions.
4. Air Pollutants
   A. Suppliers shall discharge air pollutants in accordance with the legitimate treatment methods specified in local laws and regulations.
   B. Suppliers shall measure and manage the emission of air pollutants and strive to reduce air pollutant emissions.
5. Water Management
   A. Suppliers shall use water and discharge wastewater in a lawful manner as specified by local laws and regulations.
   B. Suppliers shall measure and manage the status of water use, including the volumes of water consumption and wastewater discharge, and strive to reduce water consumption and increase recycling.
6. Energy Use and Greenhouse Gas Emissions
   Suppliers shall measure and manage energy consumption and greenhouse gas emissions and establish a plan to reduce them.
7. Biodiversity
   Suppliers shall introduce measures to protect biodiversity and shall manage negative impacts on the ecosystem.

④ Ethical Management

1. Anti-corruption and Adherence to Management by Principles
   A. Suppliers shall prohibit, as a matter of policy, any acts of corruption such as bribery, embezzlement, brokering, and solicitation; any act of promising, offering, granting, providing, or accepting other forms of compensation to obtain improper benefits; and any act of demanding unfair compensation by taking advantage of weaknesses. All transactions shall be conducted in a transparent manner and recorded and managed accurately.
   B. Suppliers shall operate channels for reporting unethical behavior of workers. The reporting channel shall ensure the informant's anonymity and also ensure that the informant does not suffer any disadvantage for reporting.
2. Fair Trade
   Suppliers must comply with the fair trade regulations set forth by local laws and regulations and prohibit all unfair transaction practices. Acts that interfere with fair competition, including collusion, and acts that unfairly restrict the conditions of competition with other businesses are prohibited.
3. Protecting Intellectual Property Rights
   Suppliers must respect all intellectual property rights. Information of customers and business partners must be managed safely, and suppliers are prohibited from storing, using or leaking such information without prior authorization.
4. Protection of Personal Information
   Suppliers shall protect the personal information of all information subjects, such as workers and consumers. The information subject's consent must be obtained in all processes such as collection, use, provision, and outsourcing of personal information, and personal information-related laws and regulations shall be complied with.
5. Responsible Sourcing of Raw Materials
   A. Suppliers shall establish policies related to the responsible procurement of raw materials and establish a process to ensure that serious human rights violations and environmental damage have not occurred in the production and distribution of raw materials, parts, products, etc., handled by them.
   B. Suppliers shall confirm through regular due diligence that the raw materials, parts, products, etc. they handle are not related to social and environmental issues.

Article 4 (Supplier Risk Assessment and On-site Due Diligence)

Celltrion strives to improve the level of sustainable supply chain management and shares this policy with its suppliers when entering into business agreements. Celltrion may conduct risk assessments or on-site due diligence for any supplier to check compliance with this policy. The purpose of risk assessments and due diligence is to identify potential risks associated with suppliers. The risk assessments and due diligence will be conducted by Celltrion or a third-party organization at Celltrion's request, to the extent permitted by law. Celltrion may share the assessment results and due diligence with the suppliers and recommend the mitigation of any risks identified by due diligence. Suppliers shall take steps to develop and implement a risk mitigation plan.

Policy on the Independence of Independent Directors

Article 1 (Objective)
Celltrion established this policy to guarantee the independence of independent directors in compliance with laws and regulations related to the appointment of independent directors, including the Commercial Act. Based on this policy and the relevant laws and regulations, the independence of independent director candidates is verified in accordance with strict procedures in establishing requirements for the appointment of independent directors.

Article 2 (Scope)
This policy applies to Celltrion's headquarters, domestic and foreign corporations, and subsidiaries. Compliance with this policy is also encouraged for all stakeholders with whom Celltrion has business relationships, including suppliers.

Article 3 (Basic Principles)
① Celltrion shall define the following requirements for the selection of an independent director with guaranteed independence.
1. The independent director candidate has not been hired as an employee of the Company within one year
2. The independent director candidate has not been employed as an executive of an affiliated company within the last three years (including the independent director candidate and his/her family members)
3. The independent director candidate has not received compensation of KRW 80 million (equivalent to USD 60,000) or more in 12 months from the Company/parent company/subsidiary within the last three years (including the independent director candidate him/herself and his/her family members).
4. The independent director candidate, his/her spouse and immediate dependents, or non-dependent relatives are not the largest shareholder.
5. If the largest shareholder is a corporation, the independent director candidate is not a director, auditor, executive officer, or other employee of such a corporation.
6. The independent director candidate is not an advisor or consultant to the Company.
7. The independent director candidate does not have a material interest in any of the Company's significant customers[1] or suppliers[2]
8. The independent director candidate is not an employee of a corporation with which the Company has an advisory contract, such as the Company's main legal/management advisory contract.
9. The independent director candidate does not have a material interest in a non-profit organization, etc., that receives significant donations from the Company.
10. The independent director candidate does not have any other conflicts of interest with the Company.
11. The independent director candidate is not serving as a director, executive officer, or auditor of two or more companies other than the Company.

② In addition to the above requirements, Celltrion considers the domestic and international trend and the company's internal circumstances in ensuring independence and comprehensively considers whether the independent director candidate has any significant relationship with the Company.

1) Significant customers: Corporations that account for 10% or more of the Company's revenue or operating income.
2) Significant suppliers: Corporations that account for 10% or more of the Company's expenses.

Policy on the Diversity and Expertise of the BoD

Article 1 (Objective)
Celltrion has established this policy to enhance the diversity and expertise of its Board of Directors. The goal is to enable the BoD to consider the perspectives of several stakeholders and make important decisions for the Company based on a broad perspective.

Article 2 (Scope)
This policy applies to Celltrion's headquarters, domestic and foreign corporations, and subsidiaries. Compliance with this policy is also encouraged for all stakeholders with whom Celltrion has business relationships, including suppliers.

Article 3 (Basic Principles)
① Celltrion considers the following requirements to ensure the diversity and expertise of the Board of Directors.
1. Gender diversity: There shall be no discrimination based on gender in the selecting members of the Board of Directors, and equal opportunities shall be given to both genders.
2. Age diversity: The Board of Directors shall be of a wide age range to ensure harmony between experience and fresh perspectives, and enable flexible responses to internal and external business environments.
3. Diversity in nationality: To enhance our global competitiveness and respond flexibly to the external trend, we appoint directors without discrimination based on nationality.
4. Diversity of professional experience: We strive to find candidates with rich experience and expertise in various fields.
5. Diversity in terms of race/religion/ethnicity: We do not discriminate based on race/religion/ethnicity and appoint directors based on comprehensive consideration of diversity.

② Celltrion verifies that the above requirements are fully considered in selecting members of the Board of Directors, and tries to ensure that diverse perspectives are reflected and reviewed in major decisions. In addition, we set a minimum attendance requirement of 50% at BoD meetings consisting of members with diverse backgrounds and expertise. If a member fails to meet the minimum attendance requirement without a justifiable reason, it will be reflected in his/her evaluation.

Tax Policy

Article 1 (Objective)
Celltrion recognizes that the rightful payment of taxes in accordance with tax laws is an important obligation to contribute to national finances and social development, and established this policy to ensure compliance with domestic and international laws and regulations, such as the rightful payment and reporting obligations, and to fulfill its social responsibilities related to taxes.

Article 2 (Scope)
This policy applies to Celltrion's headquarters, domestic and foreign corporations, and subsidiaries. Compliance with this policy is also encouraged for all stakeholders with whom Celltrion has business relationships, including suppliers.

Article 3 (Basic Principles)
① We understand the purpose of the tax laws and related regulations of each country where we operate our business, and pledge to comply with the principles in good faith. For this, we abide by the tax laws of the countries where we operate our business and fulfill our obligations to pay taxes and file tax returns. In addition, we provide relevant facts and evidence transparently when investigated by tax authorities, submit data, and communicate transparently to the outside.
② We do not transfer income to low-tax countries to take advantage of differences in tax laws between countries or exploit loopholes in the international tax system for tax evasion. In addition, we comply with the arm's length principle for international transactions with overseas corporations and establish and implement a reasonable transfer pricing policy with external experts in line with domestic tax laws and the OECD's transfer pricing guidelines.
③ We do not transfer income to overseas subsidiaries in secret jurisdictions or tax havens for tax avoidance purposes. We faithfully fulfill our tax obligations in international transactions through normal tax structures. We do not use tax structures that lack commercial substance for tax avoidance.
④ When making important decisions such as winning new businesses, strengthening business competitiveness, and expanding investment, we prioritize tax legitimacy and actively utilize the guidance of external experts. In addition, we obtain approval from the BoD for important matters related to taxation, including the approval of tax policies.

Anti-Corruption and Anti-Bribery Policy

Article 1 (Objective)
Celltrion established this policy to eradicate corrupt behaviors such as bribery and illegal solicitation that impede employees' fair performance of duties, and to raise Celltrion's level of ethical management by expressing a strong anti-corruption commitment to internal and external stakeholders.

Article 2 (Scope)
This policy applies to Celltrion's headquarters, domestic and foreign corporations, and subsidiaries. Compliance with this policy is also encouraged for all stakeholders with whom Celltrion has business relationships, including suppliers.

Article 3 (Basic Principles)
① We strictly prohibit all forms of corrupt behavior, including bribery, illegal solicitation, illegal kickbacks, express fee, and gifts and entertainment that exceed the socially acceptable levels, and express our firm anti-corruption commitment internally and externally.
② We comply with domestic and international laws and regulations related to anti-corruption, such as the Criminal Act, the Act on Aggravated Punishment of Specific Crimes, the Act on Combating Bribery of Foreign Public Officials in International Business Transactions, the Improper Solicitation and Graft Act, the Pharmaceutical Affairs Act, the Fair Competition Code on Pharmaceutical Trade of the Republic of Korea and the Foreign Corrupt Practice Act of the United States, and the Bribery Act of the United Kingdom.
③ We conduct charitable donations and sponsorships fairly in accordance with internal standards and procedures and prohibit donations and sponsorships for political purposes.
④ We have established and operate an effective anti-corruption management system to prevent and minimize corruption risks and monitor and continuously improve its performance.
⑤ To prevent corruption, we periodically identify and evaluate corruption risks, take prompt actions when we recognize the possibility of corruption or corruption occurring, and make active efforts to prevent a recurrence.
⑥ We grant and guarantee independent authority for anti-corruption management to the anti-corruption compliance officer, who shall manage and supervise all requirements and procedures for the Anti-corruption Management System.
⑦ We operate a reporting system so anyone can quickly and easily report corruption. We keep the informant's identity strictly confidential and protect them from any disadvantage caused by the report.
⑧ If an employee commits a corrupt act, such as violating this policy or anti-corruption-related laws and regulations, appropriate measures, such as disciplinary action, shall be taken in accordance with relevant regulations.
⑨ All employees are required to declare that they will comply with this policy and practice it continuously to realize corporate values and settle a fair and transparent organizational culture.

Ethical Advertising and Marketing Policy

Article 1 (Objective)
Celltrion established this policy to ensure compliance with relevant laws and regulations as well as company regulations in conducting direct and indirect activities related to promotion and sales; to make sure that such activities lead to respect for and further development of value for customers and society and to provide customers with objective and reliable information about products and services.

Article 2 (Scope)
This policy applies to Celltrion's headquarters, domestic and foreign corporations, and subsidiaries. Compliance with this policy is also encouraged for all stakeholders with whom Celltrion has business relationships, including suppliers.

Article 3 (Basic Principles)
① As a specialized pharmaceutical company, we comply strictly with domestic and foreign laws and regulations, including the Pharmaceutical Affairs Act, regarding advertising and marketing, and do our best by way of responsible marketing activities. In addition, we have established a control department within the company to monitor marketing and advertising activities fairly per this policy.
② In order to maintain dignity and fairness in advertising and marketing, we do not engage in marketing and advertising activities using expressions that belittle human dignity and life; encourage violence, crime, or antisocial behavior; or create excessive fear or disgust; or other expressions that cause discomfort or disgust and go against viewers' sense of ethics or sentiments.
③ In advertising and marketing, we do not compare or intentionally demean competing companies or products and services with false and objectively unfounded content. Nor do we exaggerate or understate the environmental benefits of purchasing and using products and services.
④ Employees of Celltrion's headquarters, domestic and foreign corporations, and subsidiaries shall perform their duties in accordance with this policy, and the Company shall provide training to help them understand and comply with this policy. In addition, companies that have business relationships with Celltrion, such as suppliers, contractors, joint ventures, and outsourcing partners, are also encouraged to comply with this policy, and policy education materials are distributed to spread awareness.

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