



Advanced Therapeutics within Everyone's Reach

Celltrion ESG Report 2023/24



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About this report

Overview

Celltrion's ESG Report serves to transparently disclose our sustainability management activities and achievements across overall business operations and to engage in far-reaching communication with stakeholders.

Reporting Period and Scope

This report spans the period between January 1, 2023 and December 31, 2023, outlining Celltrion's key sustainability management activities and achievements, and extends to the first half of 2024 for some major pending issues.

The scope of this report covers Celltrion's key operations, including domestic sites such as Plant 1, Plant 2, Office Building, Global R&D Center, Clinical Development Division Office, Generic Division Office.

Financial performance includes data from subsidiaries on a consolidated basis in accordance with the K-IFRS. Environmental, social and other non-financial performance pertains only to Celltrion unless otherwise stated. Celltrion Healthcare engaged in the global marketing and sales of biopharmaceuticals, and thus its environmental performance data are not subject to any change in reporting boundary. The reporting boundary of social performance data includes the 2023 data from both Celltrion and Celltrion Healthcare after the merger.

Reporting Standards and Principles

This report was prepared in compliance with the international sustainability reporting standard of the GRI(Global Reporting Initiative) Standards 2021 and in reflection of the metrics included in the SASB(Sustainability Accounting Standards Board), the IFRS(International Financial Reporting Standards) Sustainability Standards(ISSB), and the TCFD(Task Force on Climate-related Financial Disclosures) recommendations.

Assurance

This report was assured by BSI (British Standards Institution), an independent third-party assurance provider, to ensure its internal and external credibility. The Independent Assurance Statement appears on the Appendix section of this report.

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CEO Message

At Celltrion, we would like to extend our heartfelt gratitude for your solid support and unwavering interest as we steadfastly delivers on our commitment to shape a better tomorrow.

2024 marks a meaningful turning point for Celltrion as we open a new chapter in our history following corporate integration. The merger will demonstrate to our supporters improved transparency in our accounting and overall business operations and reinforce our credibility with stakeholders. More to the point, this merger helps us lay the groundwork to become a global pharmaceutical company encompassing from R&D to clinical trials, approvals, production, and sales while straddling our experience and future potential together to pursue greater growth and development.

Today, we live in a world of uncertainty as climate change and myriad social issues confront humanity. Guided by our goal, ‘Advanced Therapeutics within Everyone’s Reach,’ Celltrion is committed to realizing the value of improving health and well-being for all. This essentially means that we not only seek economic value but also actively fulfill our role in creating social and environmental value. Celltrion is taking action as follows in alignment with our ESG strategies.

In the environmental area, Celltrion established our Net Zero Roadmap to reduce Scope 1 and 2 emissions down to 42% by 2030 and 100% by 2045. In 2023, our environmental investments amounted to over KRW 1.3 billion, and initiated to protect endangered animals in Songdo as we would like to generate substantial and visible outcomes.

Our approach on the social area aims to achieve shared growth with wide-ranging members of society. The Seoul Biohub-Celltrion Open Innovation Program helps attain our goal of creating a bioindustry ecosystem, and ESG training that we provide to our key suppliers plays a crucial role in building sustainable supply chains. In an effort to give back to society, Celltrion is expanding comprehensive support projects at the Celltrion Group level, including assistance for people in emergent needs and fundraising to aid individuals to recover from damages caused by heavy flood.

Lastly in the governance area, Celltrion prioritizes our goal of growing together with shareholders. In 2023, KRW 100 billion were paid out in cash dividends, up by 30% year-on-year, and shares worth nearly KRW 860 billion were bought back in an effort to promote shareholder value. Celltrion also achieved the ISO 27001 certification(information security management system) in addition to six international certification standards to improve sustainable governance.

Celltrion continues to unveil innovative medicines and health solutions to make a positive difference in the world.

Our ultimate goal is to develop new therapeutics and bring hope to patients, and our annual ESG report will facilitate our efforts to assess business performance in an objective perspective and set the course ahead towards sustainability management. Once again, we promise to continue moving forward for a better future through our growth and innovation.

Celltrion Chief Executive Officer
Jin-seok Seo



“
Celltrion is committed to realizing the **value of improving health and well-being** for all.
”



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2023/24 Highlights

Seoul Biohub-Celltrion Open Innovation Program

Celltrion operates an open innovation program to support bio start-ups in partnership with the Seoul Biohub. With this initiative, we led the charge in establishing cooperative relationships with the Kobe Biomedical Innovation Cluster(KBIC) of Japan and installed a hub office by serving as a judge for the KLSAP Gold Sponsor. We also participated in the Incheon Startup Park Development Project to screen and select startups under the Shinhan Square Bridge program(bio-pharmaceutical industry), and supported SMART X Bio demonstration efforts.



Achieved B rating in KCGS

Celltrion was awarded an overall B rating(B+ in Environmental, A+ in Social, C in Governance) in the ESG assessment made by the Korea Institute of Corporate Governance and Sustainability(KCGS). While our ratings rose in the Environmental and Social areas, our Governance rating declined from the previous year. To improve vulnerabilities in governance, we amended the Articles of Incorporation and increased the number of independent directors.



Community Donation

Celltrion provided KRW 1.1 billion in scholarships to underprivileged teens in Incheon and Chungbuk, and made targeted donations of KRW 20 million per person for bereaved family members who lost their loved ones due to the underground tunnel flooding in Osong. We also donated KRW 20 million to the forestation project in the Hongye Park, as part of our wide-ranging community donation initiatives.



Listed in DJSI Asia Pacific and Korea Indices

The Dow Jones Sustainability Index(DJSI) is a highly credible sustainability assessment rating index published by Standard & Poor's, one of the world's top three credit rating agencies to conduct in-depth assessments to identify ESG trend-setter companies globally and include them in its index family. In the inaugural year of publishing our ESG report, we were proudly listed in both the DJSI Asia Pacific and DJSI Korea Indices in recognition of our efforts in ESG management.



ISO 27001 Certification

Celltrion has obtained ISO 27001 certification for its information security management system, covering all areas of its GMP(Good Manufacturing Practice) system. Achieving certification from such an authoritative international standard-setting organization will enable Celltrion to protect national cutting-edge strategic technology, lay the groundwork for ESG management, improve credibility of our internal and external information security operations, and build capabilities to respond to domestic and overseas regulators and third-party audits.



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Company Introduction

Celltrion is committed to realizing the value of improving health and well-being for all as a leading global pharmaceutical company.

As Korea’s leading pharmaceutical company, Celltrion leads the way in the research & development, production, and distribution of biopharmaceutical antibodies and small molecules. We developed the world’s first biosimilar antibody to set a new paradigm across the global pharmaceutical market, and moved beyond biosimilar development to release a new drug named Zymfentra to commit to improving health and well-being for all. Building on our history of harnessing our challenger spirit and creativity to turn possibilities into realities, we will follow a diverse and innovative business strategy in developing small molecules and novel drugs and conducting digital healthcare platform business, ultimately cementing our position as a global pharmaceutical company. Moving forward, Celltrion will ceaselessly commit to improving health and well-being for all, and in so doing, will progress towards becoming a global pharmaceutical company.

Founded on	2002.02.26
Employees	2,529 persons(as of the end of December 2023)
Business	Manufacturing of biologics
Address	23, Academy-ro, Yeonsu-gu, Incheon, Korea

Celltrion Global R&D Center



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Celltrion as One Company

Merger Story

In December 2023, Celltrion merged Celltrion Healthcare, an affiliate exclusively marketing the biopharmaceuticals it sources from Celltrion across global markets. Establishing an end-to-end business structure ranging from development to production and sales, and generating cross-functional synergy, this merger paves the way for Celltrion to take one step closer to becoming a global pharmaceutical company.

Building on the merger with Celltrion Healthcare to emerge as a global pharmaceutical company, Celltrion plans to merge with Celltrion Pharm in the upcoming years to reinforce synergy between biopharmaceutical and small molecule businesses. This will surely enable Celltrion to secure future growth drivers as One Company, and grow into a global pharmaceutical company delivering the value of improved health and well-being for all.

The expected benefits from the merger with Celltrion Healthcare are summarized as expansion in Celltrion's investment and market share and enhanced investor trust in Celltrion. First, the merger serves to integrate resources that were separately available among the

two companies and create synergy for capability expansion, making it possible to make more ambitious investments at scale.

Secondly, improved cost competitiveness will lead to greater market dominance. Internalizing transactions between the two companies through the merger and boosting cost competitiveness as a result will facilitate Celltrion's advancement into markets that were not accessible due to concerns over low profit, potentially leading to improved profitability. In tandem with this, Celltrion will be able to promptly identify the unmet needs of the market and launch differentiated products to gain a comparative advantage over competitors.

Lastly, inter-affiliate transactions are now recognized as external third-party transactions due to the simplified transactional structure after the merger. This boosts the trust investors place in us, who were rather hesitant in making their investment decisions due to the business structure of the two companies before the merger, eventually ensuring increased investor confidence in Celltrion.



POINT 01

Expanding investment through resource integration and synergy generation

Pursue investment at scale by focusing integrated group resources on targeted areas of in-house novel drug development, M&As and License-in¹⁾

POINT 02

Maximizing market dominance through increased cost competitiveness

Engage in proactive sales operations based on competitive costs to expand sales markets and maximize market share

POINT 03

Streamlining the transactional structure for improved investors' trust

Improve transparency through the streamlined transactional structure to elevate investors' understanding and earn their trust

1) License-in: Producing drugs by introducing technology developed outside the company

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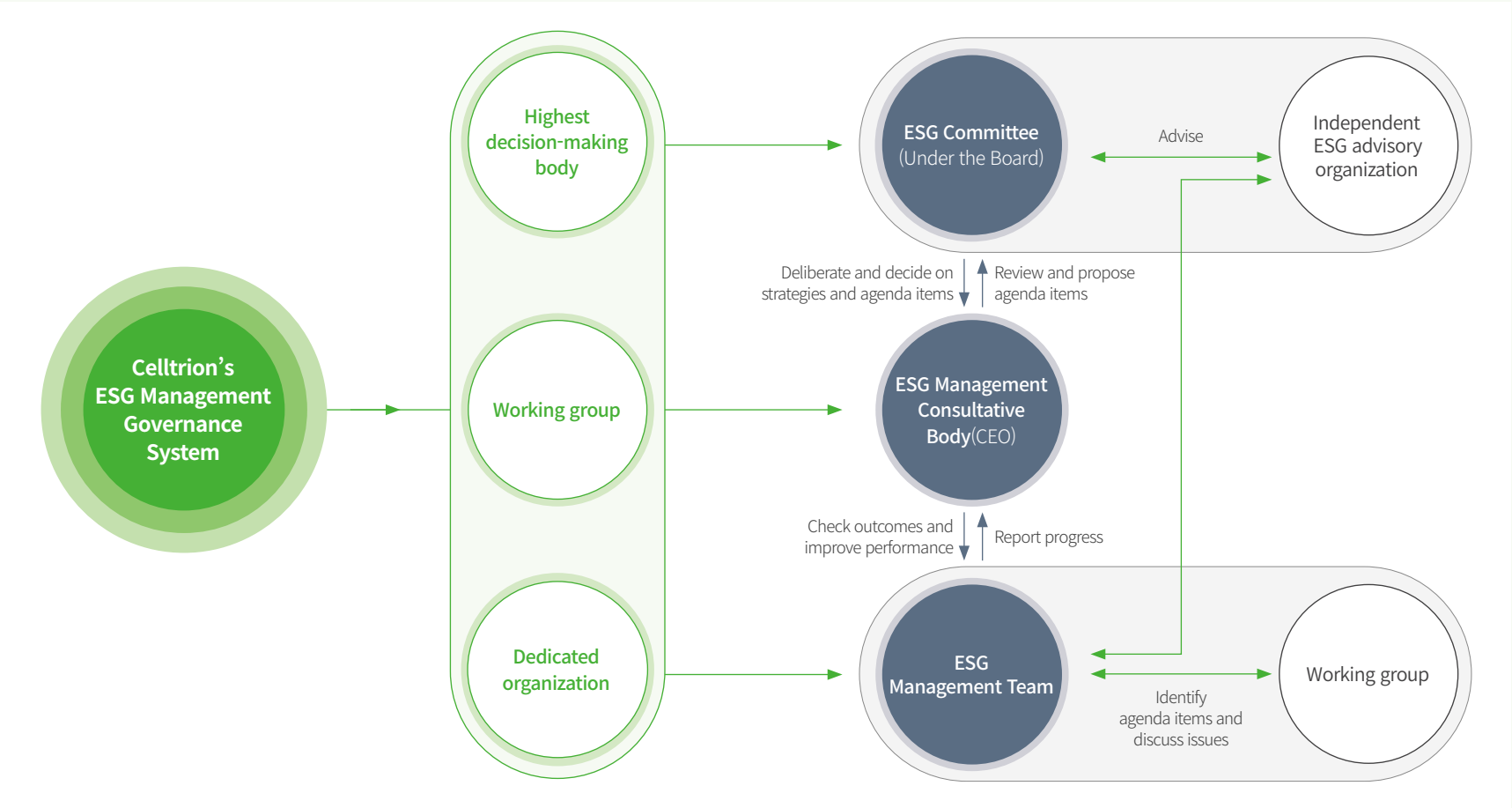
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ESG Management Governance

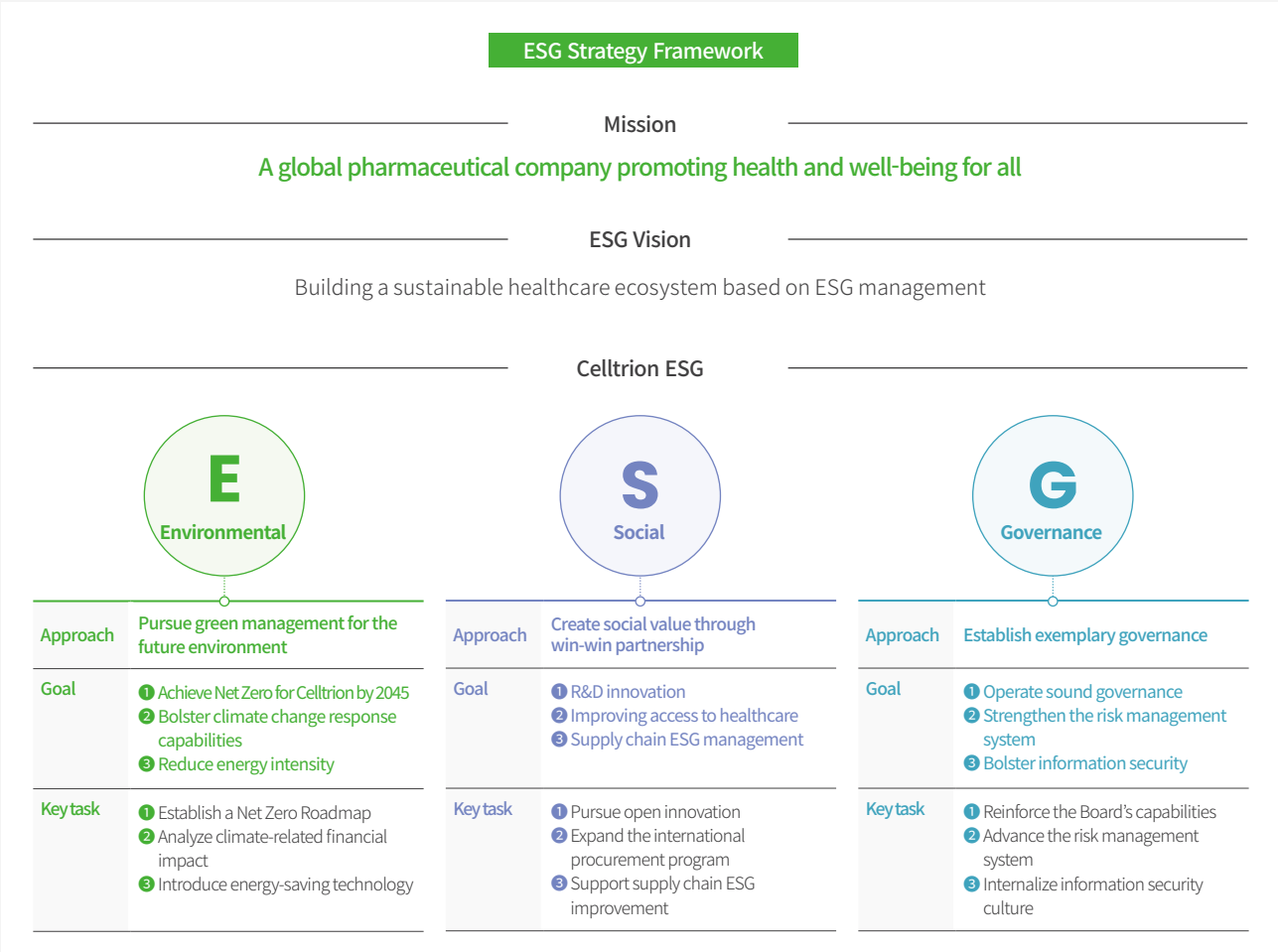
Celltrion has established ESG management governance for preemptive ESG risk management and timely decision-making. The ESG Committee under the Board of Directors makes decisions on ESG agenda items that are significant across all levels, such as reviewing materiality assessment results and non-financial risks, and duly takes responsibility for the information disclosed for respective issues. The CEO, as the Chair of the ESG Management Consultative Body, is mandated to regularly take stock of our ESG performance and review environmental management and other key ESG issues. The ESG Management Team and the Working Group ensure ESG tasks are efficiently implemented, and review our ESG management approaches and strategies with the help of independent advisors. Celltrion vows to evolve into an ESG management leader on the basis of our ESG management governance system.



ESG Management System

ESG Management Strategy

In line with the spread of ESG-conscious responsible investing, tightening ESG regulations, and changing stakeholder perceptions to prioritize sustainability, ESG management is now considered an essential prerequisite for boosting corporate value. On the back of our ESG management system established in 2022, Celltrion aims to expand and advance ESG management to provide sustainable healthcare services and improve health and well-being for all.



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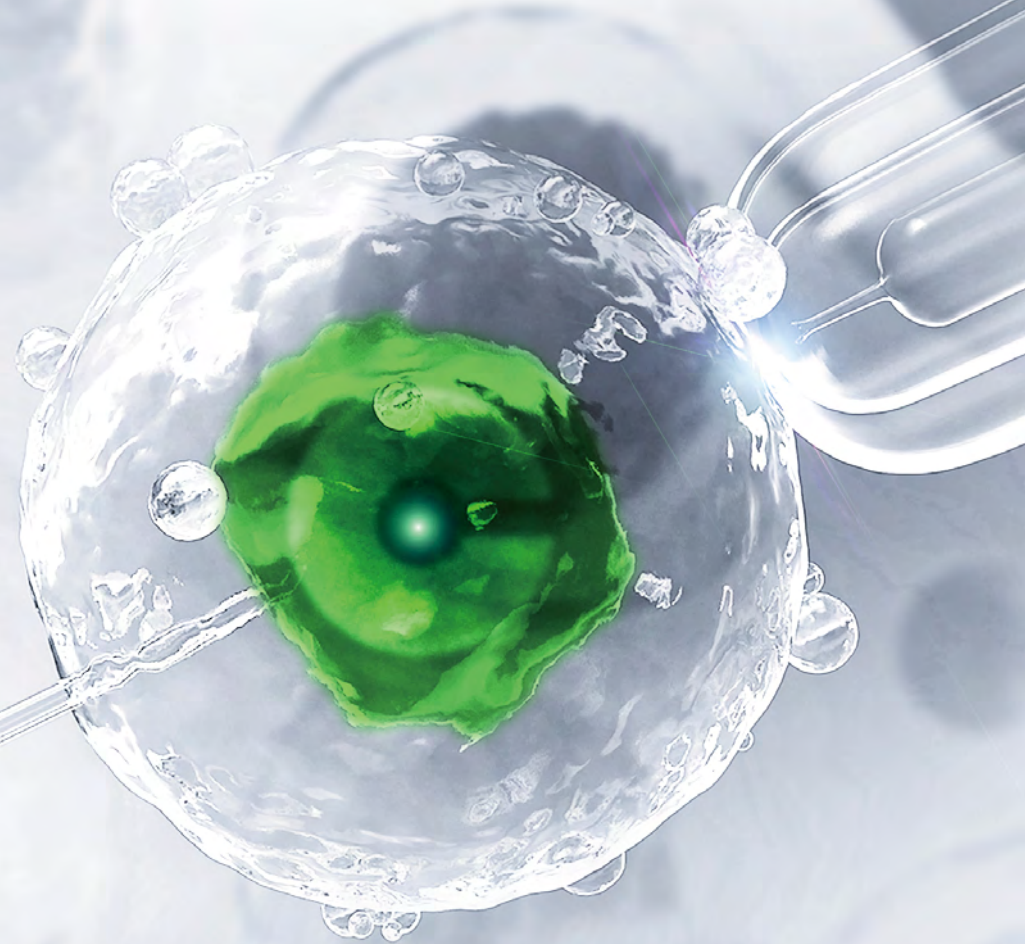
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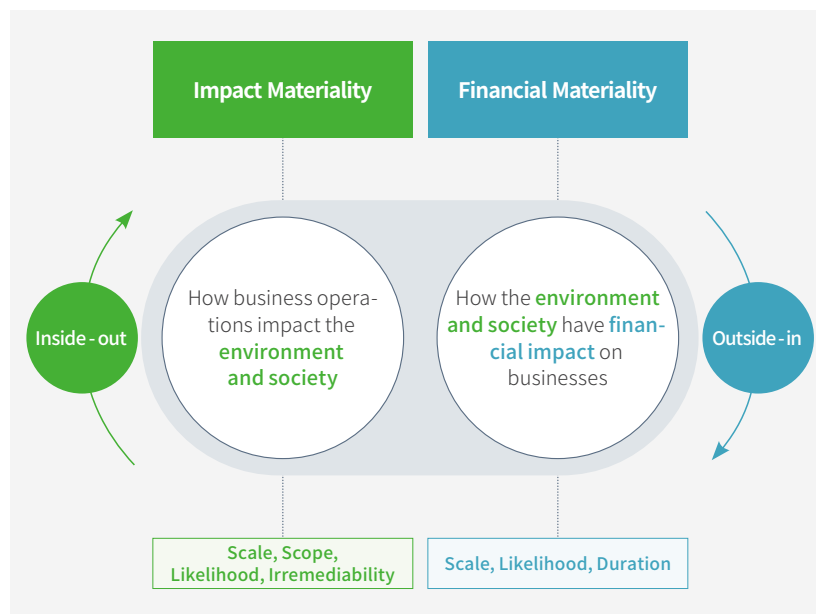
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Double Materiality Assessment

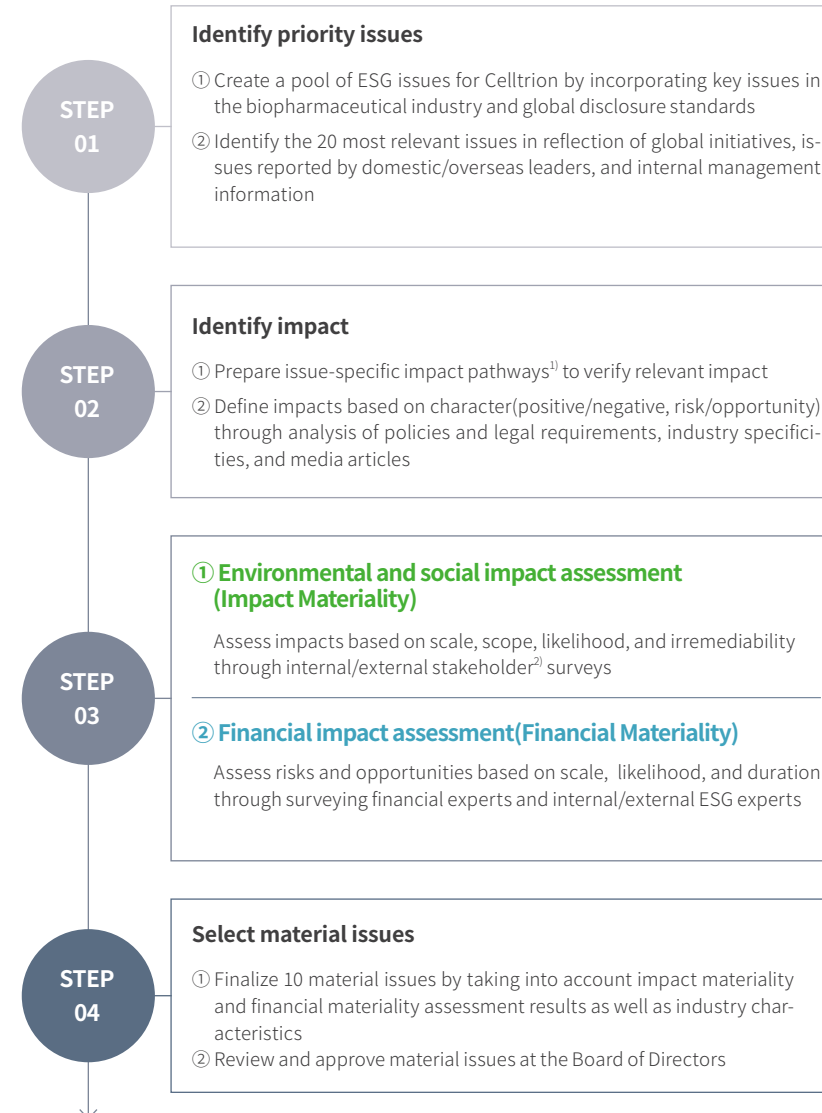
Materiality assessment helps companies to identify material issues that take precedence from a pool of issues impacting their sustainability. Celltrion performs materiality assessment each year to prioritize and manage issues closely related to our business operations. Material issues were identified through a double materiality assessment conducted to consider both the outside-in perspective – environmental and social impact on a company’s financial value – and the inside-out perspective – the impact of a company’s business operations on the environment and society at large. In identifying material issues, we looked into social and environmental impacts in terms of scale, scope, likelihood, and irremediability, and financial impacts in terms of scale, likelihood, and duration.

Double Materiality Assessment



- 1) Impact pathway: A methodology to identify final risks and opportunities by describing the link between potential outcomes of ESG issues impacting the sustainability of a company and a company’s responses
- 2) Internal/external stakeholders: Customers, employees, shareholders & investors, local communities, suppliers, central and local governments

Double Materiality Assessment Process



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Double Materiality Assessment

Double Materiality Assessment Results

Celltrion conducted double materiality assessment to select 10 issues that bring material impact to the company by considering impact materiality and financial materiality. These material issues were approved by the ESG Committee which convened as part of the regular Board of Directors meeting held in December 2023 to review each material issue for its risk and opportunity, and will take precedence in our business operations. Materiality assessment ensures that we analyze the risk and opportunity of sustainability management issues for stakeholders, and keep track of the material issues selected through our enterprise risk management system.



* For the governance issue ⑥, environmental and social impact was not measured

Material Issue Assessment Results

○ LOW ● MID ● HIGH

No.	Category	Material Issue	Impact		Y-o-Y Change in Ranking	Page
			Environmental and Social	Financial		
1	Society	R&D innovation	●	●	▲ 2	19-21, 72-75
2	Society	Improving access to healthcare	●	●	▼ 1	22-23, 76-79
3	Environment	Response to climate change	●	●	▲ 5	24-25, 36-47
4	Society	Product responsibility and safety	●	●	▲ 1	67-71
5	Society	Supply chain ESG risk management	●	●	▲ 1	80-85
6	Governance	Governance	-	●	▲ 4	93-97
7	Governance	Compliance	●	●	(New)	98-100
8	Society	Workplace health and safety	●	○	(New)	62-66
9	Environment	Reduction of raw/subsidiary material consumption	●	○	(New)	34-35
10	Governance	Ethical management	○	●	(New)	98-100

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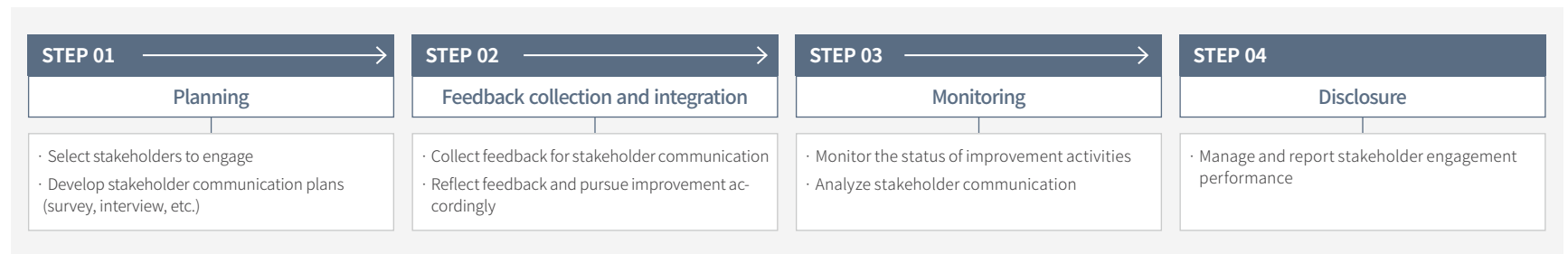
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Double Materiality Assessment

Stakeholder Engagement

At Celltrion, each department maintains communication channels to ensure free-flowing communication with key stakeholder groups of customers, employees, shareholders & investors, and central and local governments. We identify their respective needs and integrate them into our business strategies and operations, building trust-based relationships with stakeholders in so doing.

Stakeholder Engagement Process



Stakeholder Communication

Stakeholder	Customers	Employees	Shareholders & Investors	Local Communities	Suppliers	Central and Local Governments
Interests and Expectations	· Customer satisfaction · Verify product efficacy, improve quality · Share the latest company news · Brand promotion and global partnership	· Facilitate internal communication · Horizontal corporate culture · Labor relations management · Foster sound corporate culture · Employee grievance handling	· Transparent information disclosure · Risk management	· Support for underprivileged groups · Balanced development of local communities	· Win-win partnership · Sustainable shared growth · Fair trade compliance · Vitalize communication with suppliers	· Comply with fair trade and anti-corruption principles · Transparently disclose corporate information · Sincerely fulfill tax obligations · Facilitate investment and employment
Key Communication Channels	· Customer center on the website · Global exhibition booths · Official social media channels (Blog, Instagram, YouTube, Facebook, etc.)	· Intranet Newsletters · Regular CEO letter · Celltrion Labor-management Council · Employee Relations Department at the Corporate Culture Division · Grievance Committee · Tongnamu	· Annual General Meetings (AGMs) · Annual report · IR events · Website · ESG report	· Distribution of official letters outlining the Celltrion Welfare Foundation's business to government agencies · Website	· Business review meetings (e.g. JSC, QBR) · On/Offline issue management meetings · Weekly virtual meeting for the tech. department	· Annual report · ESG report · Public relations e-mails · Discussions held in the IFEZA (Incheon Free Economic Zone Authority)

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Double Materiality Assessment

Impact Assessment of Material Stakeholder Issues

We identify, assess, and systematically manage the material impact of our business operations on external stakeholders.

Category	Material Issues for External Stakeholders	Nature of Impact	Cause of Impact	Impact Assessment Area	Metrics	Impact Assessment	Impact Metric
R&D Innovation	Reduce administration time through R&D innovation to help improve the quality of life for patients and caregivers.	Positive impact	Products and services	- Customers - Society	Reduced administration time through formulation changes of Celltrion products	Social value created [(IV injection time – SC injection time)] * (number of patients reached)	Improved quality of life for patients and caregivers through innovative R&D
Improving Access to Healthcare	Make biosimilars more affordable compared to reference product to support medically underserved individuals in accessing equitable treatment opportunities	Positive impact	Products and services	- Customers - Society	Reduced healthcare costs through the use of Celltrion products	Social value created [(prices of reference product) – (prices of Celltrion's biosimilars)] * (number of patients reached)	Reduced healthcare costs due to improved access to healthcare
Response to Climate Change	Take on the shared responsibility as a member of the global community to mitigate negative anthropogenic impact on climate change	Negative impact	Site	- Customers - Suppliers - Environment - Society	Environmental value preserved through a Net Zero transition and the resulting reduction of GHG emissions	Environmental value preserved [(BAU¹⁾ for the current year GHG emissions) – (emissions for the current year based on the Net Zero Roadmap)] * (carbon price)	Environmental value conserved through reduced GHG emissions

1) BAU(Business As Usual): The projected future greenhouse gas emissions assuming no additional reduction efforts and continuing current trends.

Approach

In the wake of the COVID-19 pandemic, the sustained global economic slowdown continues to boost the demand for biosimilars that deliver efficacy comparable to reference drugs at affordable prices. Rather than simply responding to the burgeoning demand for biosimilars, Celltrion is developing differentiated strategies by changing the formulation and dosage of existing products and expanding the biosimilar pipeline with a focus on auto-immune diseases and anti-cancer therapeutics. People are more interested in novel drug development than before due to increasing of chronic disease and aging population. Celltrion is pursuing research efforts on ADCs¹⁾, bispecific/trispecific antibodies, new therapeutic antibodies and microbiomes, instead of settling down with biosimilar, aiming to emerge as a pharmaceutical company discovering novel drugs. Our commitment to R&D innovation will drive our efforts to develop medicines with unrivaled efficacy and safety to help uphold the right to health for patients around the world and reduce social costs caused by diseases.

1) ADC(Antibody Drug Conjugate): Next-generation anti-cancer drugs that enable targeted cancer therapy by combining an antibody binding to a specific antigen on cancer cells with a potent cytotoxic drug

Governance

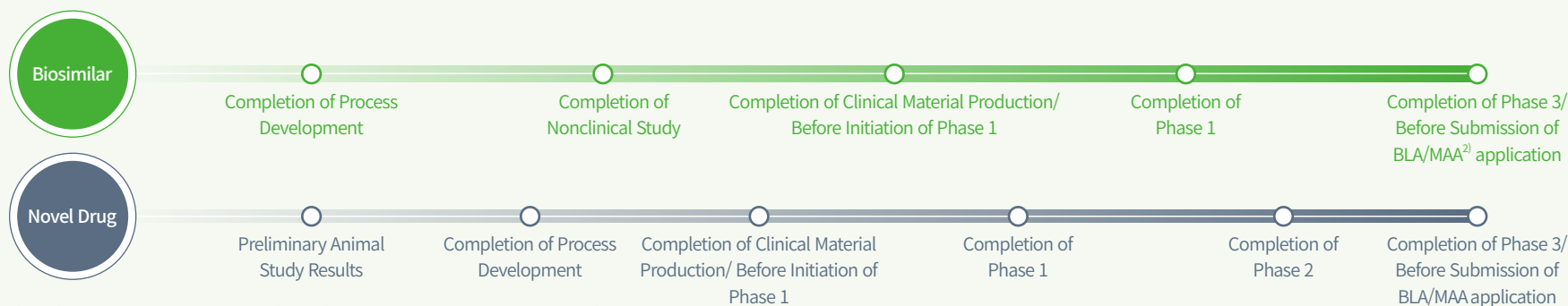
Celltrion established an R&D governance to support efficient decision-making for R&D operations. The Product Development Committee consists of executives including top management, and is mandated to make decisions on initiating and progressing with drug development.

The Research & Development Unit, the Product Development Unit, and other related Units report agendas associated with biosimilar and novel drug development projects to the Committee, and the Committee grants approval on such projects following a feasibility review. Once a project is approved, the Committee is constantly updated on the progress made in line with the milestones set for each phase of development, and monitors the product development process on an ongoing basis in consideration of various conditions involved.

R&D Organizational Chart



Reporting Milestones to the Product Development Committee



2) BLA(Biologics License Application), MAA(Marketing Authorization Application)

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Strategy



Expansion of Pharmaceutical Pipeline

We aim to develop biosimilars that deliver equivalent efficacy against reference products at affordable prices currently available in the market to help improve the quality of life for patients. To this end, we are working on multiple candidates in our pipeline to cater to different treatment phases and conditions of patients being treated for a given single disease category. Our goal is to launch a total of 22 biosimilar products by 2030, and we will stay at the forefront of developing differentiated, patient-friendly biosimilar drugs through constant monitoring of the medical landscape and market conditions.

Expansion of Pharmaceutical Pipeline

Development of New Formulation(Zymfentra)

In October 2023, Zymfentra, the world's first subcutaneous(SC) formulation of Remsima, was approved as a novel drug by the US FDA. Zymfentra is the first product developed by modifying Remsima from its intravenous to a subcutaneous formulation to administer Infliximab through autoinjectors, enabling self-administration to help dramatically improve the quality of life for patients. The approval from the FDA came in just 10 months after the BLA submission, which testifies to the excellence of our R&D capabilities.

Development of New Formulation(Zymfentra) 

Expansion of Business Portfolio

Drawing on our accumulated know-how, we are actively investing in the development of next-generation platforms and broadening our business portfolio. Our R&D efforts include ADCs, bispecific/trispecific antibodies and new therapeutic antibodies that have the potential to generate synergy with our existing pipeline, and new modalities to provide wider treatment options. Celltrion remains committed to bolstering our internal R&D capabilities and pursuing new technology development to diversify our business portfolio.

Expansion of Business Portfolio 

Expansion of R&D Infrastructure

Celltrion's new Global R&D Center will play a crucial role in expanding our biosimilar pipeline and developing novel drugs. Situated on a site covering 10,033m², this facility, with one underground floor and six above-ground floors, is designed to accommodate a significantly larger R&D workforce. The center is built to provide optimal conditions for creating synergy across all areas of bioengineering research. To support this, we are fully addressing the needs of our researchers and will continue to expand both equipment and personnel to boost the center's research capabilities.

Expansion of R&D Infrastructure

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Issue 1

R&D Innovation

Risk Management

To maintain reliable and sustainable business operations, we identify R&D risks and ensure effective and preemptive responses. In particular, milestones are established for each phase of R&D to continuously and effectively monitor these risks. We identify key risks in relation to R&D innovation as below.

Risk of R&D Failure

Given the nature of the pharmaceutical industry, R&D activities take extended periods of time for product development and require large-scale investments along with uncertainty about success. When making sizeable investments does not lead to successful development outcomes, this makes it difficult to recoup investments and may pose risk to business operations. In addition, developing products with low demand due to failure in properly analyzing market needs in the early phase of the process could prolong the investment recovery period and virtually result in R&D failures.

Regulatory Risk

To launch new products, company should conduct non-clinical and clinical trials and obtain approval from regulatory authorities through their rigorous review processes. Approval requirements can vary and evolve due to multiple factors, including social expectations and ethical considerations. Globally, regulatory authorities are increasingly implementing stricter requirements to ensure the safety of pharmaceuticals. Such regulatory changes may delay new product releases and eventually increase R&D costs.

Metrics

Metrics	Unit	Status	
R&D workforce	Person	PhD	57
		Master	319
		Bachelor	303
		Total	679
R&D expenditure	%	R&D ratio	26.8
	KRW million	Investment costs	342,736
	%	R&D intensity	15.8
Approved products	Product	Biopharmaceutical	Novel Drug 2
			Biosimilar 6
		Small molecule	3
Pipelines	Product	Biopharmaceutical	Biosimilar 7
		Small molecule	1

Targets

Biosimilar Development Goal

Develop

22

products by 2030

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Biopharmaceuticals typically come with high price tags due to their substantial research and development (R&D) costs, which often restrict access to treatment for underserved populations. In response to growing societal demands for equal access to healthcare, there is a global effort to explore various strategies for improving healthcare accessibility. Celltrion is at the forefront of these efforts, developing biosimilars that offer affordable alternatives to high-cost reference biologics, thereby expanding treatment opportunities for a wider range of patients. Our initiatives focus particularly on enhancing accessibility to pharmaceuticals in developing countries by strengthening our global sales network and participating in international procurement programs. Guided by our goal of 'Advanced Therapeutics within Everyone's Reach', we will deliver high-quality medicines at more affordable prices to lead the charge in improving access to healthcare worldwide.

Governance

Celltrion has established a healthcare access governance system to faithfully fulfill our social responsibility in improving access to healthcare. The ESG Committee under our Board of Directors serves as the highest decision-making body for agendas related to healthcare access. The ESG Management Team, as a dedicated working group, identifies issues related to healthcare access and collaborates with relevant departments to address these challenges.

Strategy

Expansion of Biosimilar Production

Celltrion is proactively expanding its production infrastructure to increase the supply of pharmaceuticals. Our biopharmaceutical production plant in Songdo, Incheon, was the first in Asia to receive cGMP certification from the US FDA for its animal cell culture facilities in December 2007. This plant is fully equipped to produce both drug substances and finished drug products. With the recent completion of our third plant, we now have a total in-house domestic production capacity of 252,000 liters for biopharmaceuticals. Apart from this, we make the best use of our CMOs located in Singapore, the US and other parts of the world to maximize the production efficiency of our facilities and our biopharmaceutical production capacity. Moving forward, we plan to continuously expand our production facilities to meet the growing demand for biopharmaceuticals.

Expansion of Biosimilar Production

Access to Medicines Policy

Celltrion has established a policy to improve healthcare access for underprivileged patients, aligning with our mission to improve global healthcare and welfare through the development of next-generation pharmaceuticals. To address disparities in reimbursement eligibility and benefits caused by varying payment capacities across countries, we implement differential and equitable pricing strategies. Additionally, we have assistance programs specifically designed to assist underprivileged patients.

Access to Medicines Policy

International Procurement Business

Small Molecules

To improve access to healthcare in countries with limited medical services, Celltrion collaborates with various international partners, including the Global Fund and the UNDP, to provide pharmaceuticals to countries included in the 2024 Access to Medicine Index (AMI Countries)¹⁾. We have supplied CT-G02 and CT-G07, which are used to treat HIV/AIDS, at low prices driven by humanitarian considerations rather than profitability.

1) AMI Countries: Countries included in the list of Access to Medicines Index 2024. The AMI measures the actions of pharmaceutical companies in places where there is an urgent need for better access to medicine.

Biopharmaceuticals

In partnership with the UNDP, Celltrion has provided CT-P10 for blood cancer therapeutics in Turkmenistan since 2021, helping the country combat blood-related diseases such as non-Hodgkin's lymphoma and chronic lymphocytic leukemia. We have also supplied CT-P16 for colorectal cancer treatment to the country since 2023 to fight against metastatic colorectal cancer and non-small cell lung cancer.

International Procurement Business

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Issue 1. R&D Innovation

Issue 2. Improving Access to Healthcare

Issue 3. Response to Climate Change

Improving Access to Healthcare

Risk Management

We have established an enterprise risk management system to identify and manage risks associated with healthcare access. These risks are managed by our specialized risk management department through a well-structured and detailed response system. Below are the key risks we identify related to healthcare access.

Price Fluctuation Risk

The development of biosimilars has enabled numerous patients to receive treatment at affordable prices, significantly improving access to healthcare. However, demands for excessive price reductions from governments worldwide, coupled with policies recognizing biosimilars as generics, have led to price cuts of up to 85%. This has resulted in decreased profitability for manufacturers and the market exit of some competitors, making it difficult to predict supply volumes. Excessive pressure to lower prices may threaten the sustainability of efforts to reliably develop, produce, and supply high-quality biosimilars.

Discontinuation of Production

Uncertainties in the pharmaceutical supply directly impact the life and health of patients, making it essential to reliably manage the production and supply of medicines. Therefore, it is crucial for Celltrion to prepare for potential disruptions in pharmaceutical production and supply caused by emergencies such as natural disasters, fires, or wars, and to ensure timely recovery of operations.

Targets

By developing the world's first antibody biosimilar, Remsima, Celltrion has contributed to improving healthcare access in developing nations and across the globe. Building on this success, we remain committed to developing new products and ensuring their reliable supply, so that more patients can benefit from effective and affordable biopharmaceuticals.

Category	Key Performance in 2023	2024-2025 Target
Expanding access to healthcare through new product	· Expanded patient treatment options and increased cost-effectiveness and convenience through new biosimilars and drug	· Launch 5 new biosimilars to reduce healthcare costs and improve access to healthcare
Expanding direct sales network and coverage	· Expanded our global direct distribution network · Established Patient Assistance Program · Supplied products through international procurement projects with the Global Fund and the UNDP	· Broaden the scope of benefits through the expansion of our global direct distribution network · Expand the scope of benefits delivered under the Patient Assistance Program · Accelerate product launches in developing countries · Continue to participate in international procurement projects with the Global Fund and the UNDP
Strengthening Quality Control	· Improved the quality management system to delivery quality products	· Create standard procedures for the product related complaints · Establish patient education and assistance programs

Metrics

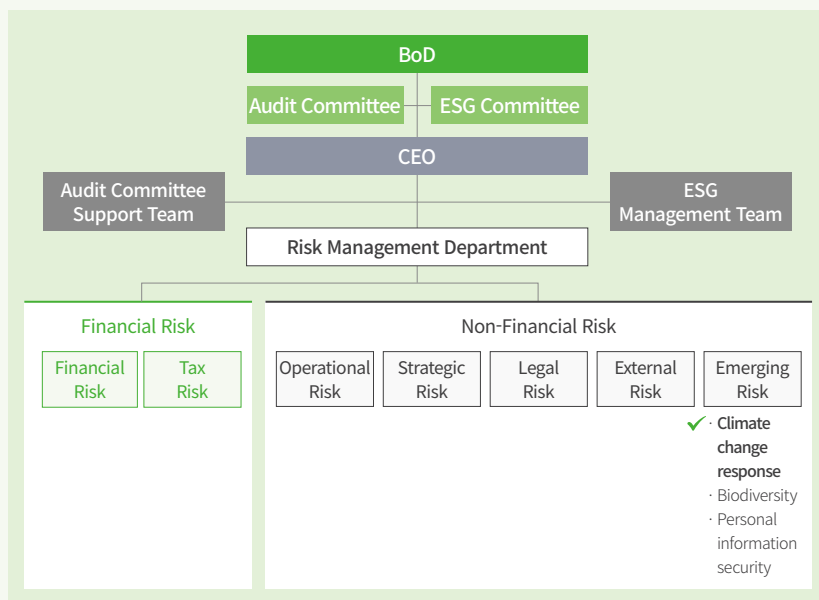
(As of the end of December 2023)

Total biopharmaceutical production capacity	Biosimilar pipeline candidates
 252,000L	 7Products
Priority(AMI) Countries with Product Launches	Patients Reached ¹⁾
 35Countries	 Over 542,665Persons
Products Supplied	WHO ²⁾ -Listed Products
 Over 12,148,000Units	 10Products

1) Estimated number of patients reached = annual sales volume / annual doses administered
(Source: annual sales volume from IQVIA MIDAS 2023Q3 MAT, annual doses administered based on WHO Defined Daily Dose)
2) WHO List of Prequalified Medicinal Product

Risk Management

Celltrion identifies and assesses key risks and opportunities that may occur across our business operations due to climate change. Identifying risks and opportunities associated with climate change and other factors helps us create a pool of issues, which are then assessed to determine their impact on our business operations. The results of these risk assessments and identified priorities guide our efforts to advance our assessment methodology each year and develop sustainable risk response measures. More to the point, we establish response plans for key risks and opportunities to create a sustainable risk response system. These key risks and opportunities are included as emerging risks within our enterprise risk management system to ensure they are rigorously managed. Our enterprise risk management system operates under a risk monitoring framework subdivided into the risk management department(1st line), the ESG Committee(2nd line), and the Audit Committee(3rd line), according to the function of risk management.



Metrics

We completed the development of our GHG inventory across our entire operations in accordance with the emissions reporting and verification guidelines of the GHG Emissions Trading System. In 2023, we further calculated Celltrion's Scope 3(Other indirect emissions) to upgrade our GHG inventory, and are disclosing consistent data through third-party verification.

(Unit: tCO₂eq)

Scope			Celltrion	Celltrion Pharm
GHG emissions	Operation sites	Scope 1	22,457	5,301
		Scope 2	42,260	10,405
		Subtotal ⁽¹⁾	64,717	15,706
	Supply chains	Scope 3	28,798	-
		Subtotal ⁽²⁾	28,798	-
Total			93,515	15,706

1) Scope of calculation for Scope 1 and 2 emissions: Celltrion and Celltrion Pharm(Ochang Plant)

2) Scope of calculation for Scope 3 emissions: Overall supply chains of Celltrion

Supply chain emissions calculation and management

To minimize the climate change impact of supply chains and reduce GHG emissions from operation sites, we calculated Scope 3 emissions from overall supply chains and built an inventory in 2023. To ensure accuracy, we selected calculation methodologies for each category and collected data from both internal and external sources. It was revealed that Category 1(Purchased goods and services) and Category 9(Downstream transportation and distribution) accounted for a significant share of Scope 3 emissions. To ensure more efficient and effective Scope 3 emissions management, we will gradually mitigate our GHG emissions from supply chain in partnership with our suppliers operating in relation to these two categories.

Supply chain emissions calculation and management 

Targets

Celltrion set up the near-term target to reduce Scope 1 and 2 GHG emissions by 42% by 2030 and achieve 100% reduction by 2045, targeting Net Zero from the 2022 base year. As to Scope 3 emissions, we will upgrade our inventory system while focusing on major suppliers to reduce GHG emissions from the supply chains.

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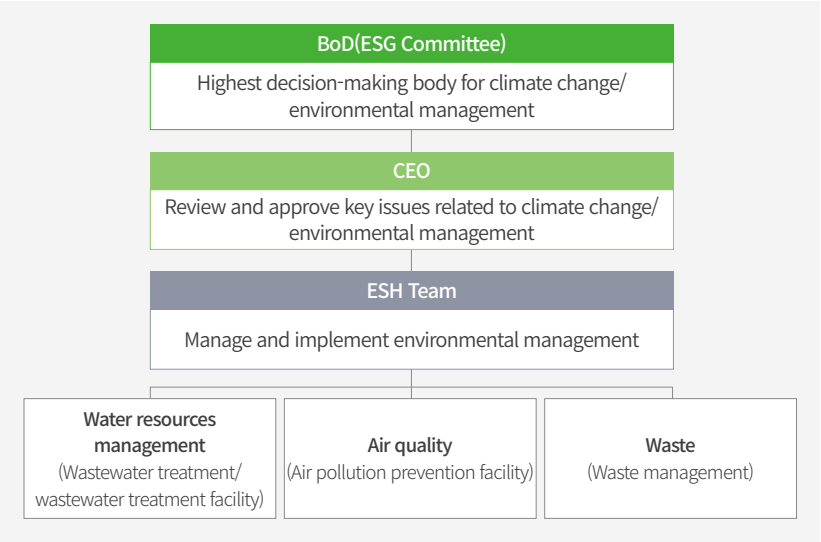
Environmental Management System

Environmental Management Governance

Celltrion’s dedicated environmental management governance, engages in developing and operating an environmental management system and ensuring compliance with environmental laws and regulations. The relevant organizations also fulfill their role and responsibility for environmental management through the systemic division of labor spanning organizational-level environmental goal setting and assessment as well as operational support. Key issues and progress made for environmental management policies and environmental management system are reported to the CEO on an ongoing basis, and the ESG Committee established under the Board of Directors in 2022 reviews and approves key issues for environmental management, including response to climate change.

Environmental management performance review results are regularly reported as stipulated in the BoD Regulations. In 2023, the ESG Committee convened twice to review, report and decide on such environmental management agendas as establishing and amending ESG policies, development a Net Zero Roadmap, and declaring our commitment to Net Zero. This served to fully reflect the requirements of major evaluation organizations and initiatives to advance our ESG management system.

Environmental Management Organization



ESH Policy

We thoroughly abide by the laws, regulations, and procedures associated with Environment, Safety and Health(ESH), and establish and manage internal standards that exceed statutory requirements. We drive sustainability management under the goal of fulfilling responsibility for environmental production and building trust with wide-ranging stakeholders, and established our ESH Policy to continue promoting eco-friendly business operations. In 2023, our ESH Policy was amended to bolster the basic principles for environmental management and to specify the consideration of environmental impact across the entire value chain by ensuring supplier environmental management from production to distribution in making investment decisions.



Environmental Management System

We implement environmental management in line with our Environmental Management System(ISO 14001). To this end, a dedicated organization was created in 2020 to engage in risk assessment and environmental impact assessment, and we achieved environmental management system certification in 2020. In November 2023, our entire operations, including the Celltrion Global R&D Center, successfully obtained renewal of ISO 14001. Going forward, we will continuously retain and renew our environmental management system certification towards the goal of maintaining zero environmental accidents and regulatory non-compliance. All departments will also undertake improvement tasks in the areas of resources, environment, and energy to help Celltrion advance ESG management and attain our Net Zero Target, meeting the social needs of our environmental management.

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Certificate of Registration

ENVIRONMENTAL MANAGEMENT SYSTEM - ISO 14001:2015

This is to certify that

The City of North West

complies with the requirements of

BS EN ISO 14001:2015

for the purpose of

Environmental Management

at the location of

The City of North West

Registration Number: 123456789

Valid from: 01/01/2016 to 31/12/2019

Scope of Registration: Environmental Management System for the purpose of providing a high quality of service to the community.

Notes: The scope of registration is subject to the terms and conditions of the registration agreement.

Signature of Registrar: Mr. David Smith

Signature of Client: Mr. John Doe

Date of Issue: 01/01/2016

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Environmental Management Support across Supply Chain

We assist suppliers in bolstering their ESG capabilities to drive sustainability along our supply chains. In 2023, we provided ESG environmental training to 12 suppliers to help improve their environmental management, and will offer such training on a regular basis to build stronger ESG capabilities throughout the entire supply chains.

We also engage our suppliers in ESG self-assessment to review their environmental regulatory compliance and environmental management activities. Annual ESG self-assessments are conducted for major suppliers, and on-site assessments are performed when necessary. ESG self-assessment is conducted for new suppliers at the time of their registration, and our incumbent suppliers identified hazardous chemical management as one of their key environmental risks through self-assessment. In making such assessments, we encourage our suppliers to voluntarily participate in the efforts to reduce hazardous chemical substances.

Environmental Investment

We pursue environmental investment in the areas of energy efficiency, renewable energy, and waste/wastewater treatment facility and environmental pollution emission facility to respond to climate change. Investments for energy-saving and climate change response cover switching to high-efficiency equipment, installing LED lights, and purchasing of carbon credits among others while investments for the improvement of environmental pollution emission facilities include the operation of boilers and wastewater treatment facilities. All in all, Celltrion's environmental investments amounted to nearly KRW 1.3 billion in 2023. Our investment review system considers financial feasibility and potential for sustainable growth in deliberating on new investments through the Investment Committee. In the event a major change occurs and/or additional investment or suspension of investment is required as to the subject of investment deliberation, these issues are re-proposed to the Investment Committee as deliberation agenda to constantly monitor and manage potential risks that may arise in the investment process. Celltrion will continue to increase environmental investment and identify business-related environmental risk and opportunity to attain environmental management goals.

Energy Consumption Management

Our energy management programs are key to our efforts to achieve environmental management performance. We pursue energy efficiency across our operations in line with such international ISO standards as ISO 9001(Quality management system) and ISO 14001(Environmental management systems). Specific energy management programs to replace outworn equipment, improve equipment operational methods, turn off every other light, and operate air conditioning in power-saving mode all support our continuous energy-saving activities. To identify opportunities to improve energy performance through energy consumption analysis, we engaged external evaluation companies in conducting energy audits to identify areas in need of energy efficiency improvement and energy conservation. Energy audits were performed on Plant 2 in 2023 to consider the introduction of energy-saving technologies for such power consumption equipment as air compressors, freezers, fans, and lights. Introducing these technologies is expected to save over 7,500MWh in annual electricity consumption and avoid nearly 3,500tCO₂e in annual GHG emissions. Our energy management programs drive our energy consumption management efforts to keep progressing towards our energy-saving goal of 'Achieving a 1% year-on-year reduction in energy intensity'.

Energy-Saving Program

To reach our energy-saving goal, we switched to LED lights at Plant 2, signed a heat energy supply contract for the Celltrion Global R&D Center and made other energy-saving investments in 2023. Shifting to LED lighting primarily targeted office spaces at Plant 2, and 165W fluorescent lights were replaced with 55 LED lights through equipment investment. Such energy-saving measures resulted in nearly 19.09tCO₂eq of reduced annual GHG emissions, and a 50% savings in power consumption compared to the use of fluorescent lights. Meanwhile, we signed a heat energy supply contract with Incheon Total Energy Co., Ltd. to supply over 13,000Gcal of heat energy for heating, hot water supply, and cooling at the Global R&D Center in 2023. Using external heat sources brought the effect of lowering GHG emissions compared to fossil fuel-powered boiler combustion. As of August 2023, the heat energy we consume was certified under the Environmental Product Declaration program, which enabled us to build track record in opting for low emission, eco-friendly energy and to broaden our sustainable environmental management operations. Celltrion will continue operating and expanding energy-saving programs to achieve our energy-saving goal.

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Air Pollutant Management

We perform test measurement and analysis to manage air pollutants emissions from our production facilities and utilities while developing rigorous in-house standards and engaging in public relations activities. To manage the emission of air pollutants, we commission external accredited analytical institutions to conduct annual and semi-annual measurements on NOx, SOx and PM generated from utilities and submit air pollutant emission data to Korea Environment Corporation. To reduce air pollutant emissions from our operations, we develop internal standards more stringent than legal thresholds and ensure their robust management. In fact, our internal management standards for NOx and SOx are 10% stricter and our PM standards are 70% more stringent than statutory standards.

Since 2022, we have shifted to low-NOx boilers across all our operations to improve energy efficiency and mitigate air pollutant emissions. We have signed annual maintenance contracts with companies specializing in low-NOx boiler repair for relevant equipment and conduct periodic inspections to achieve optimal energy efficiency.

Unfortunately, Incheon where we are based is known for high particulate matter(PM) levels causing air pollution. We signed the 'Voluntary Agreement to Reduce PMs' with Incheon City in July 2021 to keep control of any potential pollution generated from our operations affecting local communities, and have since continuously achieved reductions in the emission of air pollutants. In fact, our Plant 2 successfully reduced its air pollutant emissions by over 5% and was honored with the 'Awarding for Excellent Workplace Reducing Air Pollutants' by Incheon City in July 2023.

Awarded for Excellent Workplace Reducing Air Pollutants



Source: Incheon City(2023.07.06), Incheon City, Reduces 50.5 tons of air pollutants during the 4th seasonal management period - achieved through agreements with 43 local businesses - [press release]

Water Resources Management

To ensure rigorous water quality management, we engage in wastewater treatment monitoring and test measurement and apply stringent internal standards. Each of our production facilities operates their own wastewater treatment facilities. and the wastewater generated from production processes, laboratories, and utilities undergoes physical, chemical, and biological treatment before discharged into the terminal sewage treatment plant. Pursuant to the Water Quality Conservation Act, continuous automatic measurement devices for TOC(Total Organic Carbon) were installed and monitoring is performed at the 30-minute interval to manage the environmental impact of wastewater. Our in-house lab performs water quality analyses each month, and for specific water pollutants, we request external accredited analytical institutions to analyze the quality of raw water used and effluents discharged at Plant 1 and Plant 2 on a semiannual basis.

We classify wastewater based on its contamination level to separate highly contaminated laboratories wastewater and pipe cleaning wastewater, in its entirety through professional outsourcing service providers. To fully comply with environmental regulations governing water pollutant discharge, we set rigorous internal standards that exceed statutory requirements, and our internal discharge criteria are 40% or below of the legally permissible threshold. In recognition of efforts for environmental management spanning water and all other areas, we were named 'Excellent Company in Environmental Management' and received a commendation under Incheon City's program to designate businesses with excellent environmental management performance.

We operate a water resource monitoring system to efficiently manage water consumption at production facilities. Water consumption assessment is made under this system to identify plans and opportunities to improve the efficiency of water use, which are then fully reflected in our water resources management system. For instance, water resources monitoring results for Plants 1 and 2 were integrated in the design of water supply pipelines and processes of Plant 3 constructed in 2023 in order to establish an efficient water consumption system. Integrating water resources management systems with production facilities has allowed us to increase efficiency of water consumption and save on new investment expenses. Going forward, we will review additional tools to establish an efficient water management system by reviewing the installation of water recycling facilities and graywater pipelines to reduce water consumption. Based on efforts to reduce water consumption, Celltrion has set a goal of 'Achieving a 1% year-on-year reduction in water consumption intensity' and is continuously striving to manage water usage effectively. Celltrion will continue operating water efficiency management programs covering water efficiency goal setting and employee awareness training to ensure efficiency in our water management.

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Waste Management System

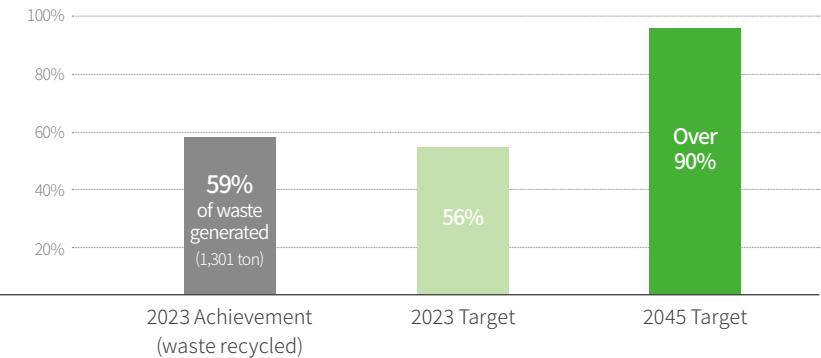
To efficiently manage the waste generated from operations, we submit statutory reports each year detailing the amount of waste generated and treated by type of waste. To ensure transparent management, treatment, and disposal of waste, we operate ESH internal review procedures to perform regular inspections each year, in parallel with the process to take corrective actions for inspection results. We ensure rigorous waste management to minimize the environmental impact of waste generated throughout the product lifecycle from production to disposal, and are working to properly sort waste generated at our operations and improve our recycling rate. In 2023, we set our waste management goal¹⁾ to recycle 90% and more of the generated waste by 2045.

Our employees participate in sorting waste from our entire operations into industrial wastes, designated wastes, and medical wastes, which are then re-sorted depending on their properties at our in-house waste storage facility. Among industrial wastes, all wastewater treatment sludge discharged from the wastewater treatment process is recycled as cement raw materials and power plant fuel. Out of designated wastes, used organic solvents and waste oil are recycled and reused to the fullest extent possible. Medical wastes are sorted by properties, stored in special containers, and treated by professional service vendors. Specifically, our quality department directly accompanies the treatment process in disposing of manufactured products to verify their incineration in the final phase of the treatment process.

1) 100% recycling of legally recyclable waste

Waste Management Policy

Waste Recycling Target and Achievement



To ensure the thorough management of internally-generated waste, we select, manage, and perform regular audits on third-party treatment companies. This helps us improve our waste management system and introduce ways to pursue efficiency gains in waste treatment and increase waste recycling. Waste generated in the workplace is separately managed at respective waste storage facilities, and all waste stored is treated under the treatment outsourcing contract we sign with professional storage and treatment companies. All such outsourcing companies are subject to self-assessment at least once a year to verify them for their treatment capacity, licensing-related regulatory compliance, and actions taken to prevent environmental incidents. In selecting outsourcing companies, we follow the set selection process to identify the company, perform written and on-site assessment, and follow-up before and after contract signing while continuously accumulating data from self-assessment findings to use them in managing contracted companies. For companies transporting designated wastes, we set separate assessment criteria considering the hazardous nature of transporting such waste and apply them in assessing the qualifications of outsourcing companies.

Celltrion provides waste discharge guidelines that are updated each year and distributed accordingly to conduct waste management training for employees. These guidelines outline procedures and methods to sort waste by type and detailed procedures to treat chemical and medical waste to prevent potential risks that may arise in the waste disposal process.

Waste Treatment Method by Type

Type of wastes		Storage	Treatment Method
Industrial wastes	Waste synthetic resin	Waste storage facility	Incineration, recycling
	Wastewater treatment sludge		
Designated wastes	Liquid waste	Designated wastes storage facility	Incineration, recycling, and others
	Solid waste		
	Reagent waste		
Medical wastes	Pathological waste	Medical wastes storage facility	Incineration and others
	Damaging waste		

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Resource Circularity System

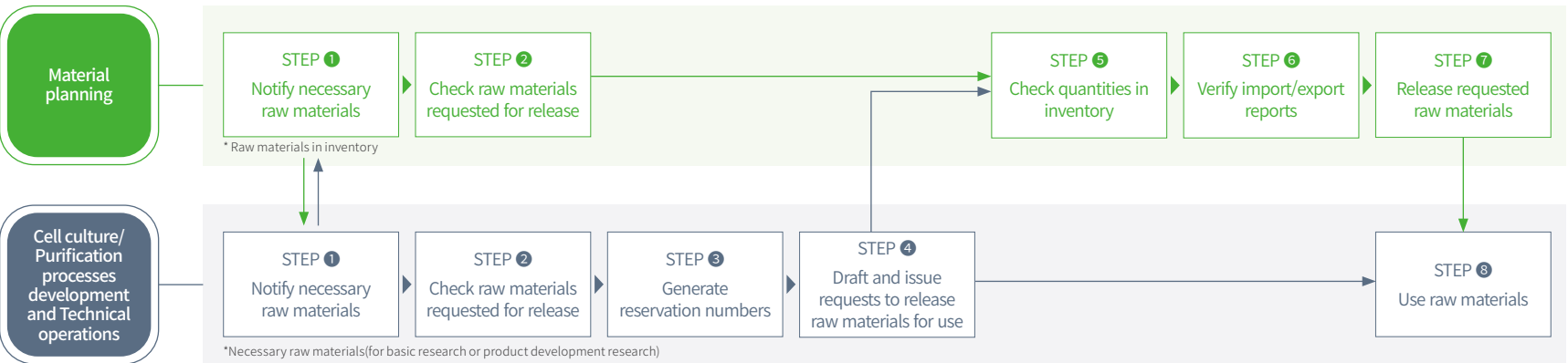
Celltrion is establishing an inventory raw material circularity system for the efficient use of raw materials through cooperation among responsible departments, and is actively undertaking activities to make raw materials easily available for resource circulation through the flexible operation of production plans. To this end, a 'resource circularity(raw material) system' was established linking the material planning department responsible for material management with the departments responsible for developing culture/purification processes and handling technical operations, reducing the waste of raw materials and reinforcing the circulation of raw materials.

This process begins with the material planning department notifying necessary raw materials, and moves on to the process development department requesting the transfer of raw materials, followed by the generation of material management reservation numbers, the drafting of the release request for use, and the verification of import/export reports before requested raw materials are released. The inventory raw materials released go to developing culture/purification processes and conducting basic/product development research in the production process.

This resource circulation system enabled Celltrion to turn nearly 6.2 tons of raw materials into resources used for in-house research purposes and to achieve over KRW 3.27 billion in financial cost savings. We will leverage the predictions and production efficiency gains made possible with our raw material circulation system to extend its scope from R&D to experimentation and process validation, and to partner with CMOs(Contract Manufacturing Organization) to further disseminate our resource circulation system.



Resource Circularity(Raw Material) Process



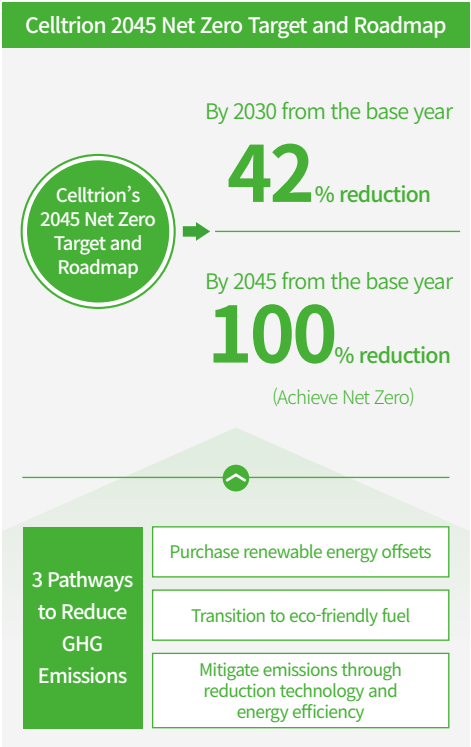
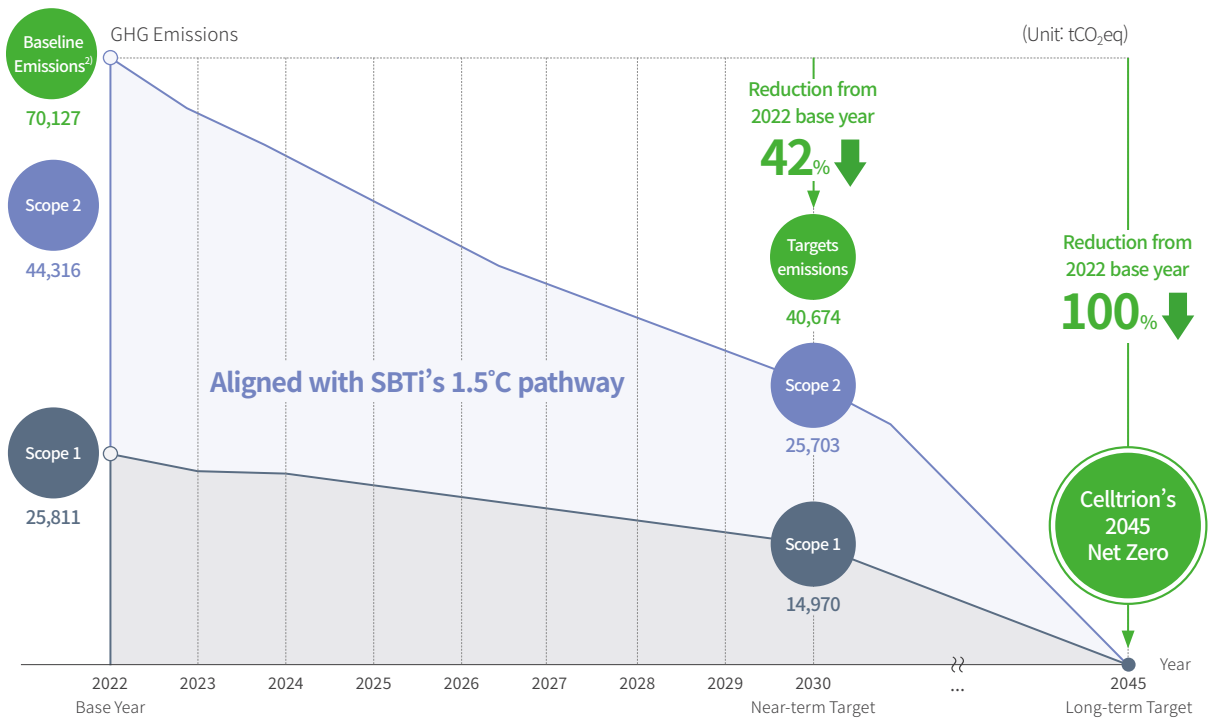
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Net Zero Commitment

Celltrion 2045 Net Zero Roadmap

As a company committed to realizing the value of improving health and well-being for all, Celltrion duly recognizes our responsibility for addressing the global challenge of climate change. To join hands in tackling climate change, we established the 'Celltrion 2045 Net Zero Roadmap' in 2023 to reduce Scope 1 and Scope 2 emissions by 100% by 2045 across the entire operations of Celltrion and Celltrion Pharm. In setting this roadmap to achieve Net Zero Target, our future emissions scenarios was projected based on the BAU(Business as Usual)¹⁾ scenario taking into account the baseline emissions, future business plans, and expansion plans for key operations of Celltrion and Celltrion Pharm in reference to the SBTi(Science-based Targets Initiative) guidelines.

Celltrion aims to reduce 42% of our Scope 1 and Scope 2 emissions by 2030 and achieve 100% reduction(Net Zero) by 2045 from the 2022 base year. This will be made possible by achieving reductions in GHG emissions, ranging from the purchase of renewable energy offsets, transition to eco-friendly fuel and mitigating emissions through reduction technology and increased energy efficiency. Celltrion 2045 Net Zero Roadmap will drive our efforts to minimize the climate impact from our supply chains and the wider value chain.



1) BAU(Business as Usual): Projected emissions scenario which takes into account historical emissions, future business plans, and expansion plans for key operations

2) Scope of calculation for Scope 1 and 2 emissions: Celltrion(Plant 1, Plant 2, Office building), Celltrion Pharm(Ochang Plant, Jincheon Plant)

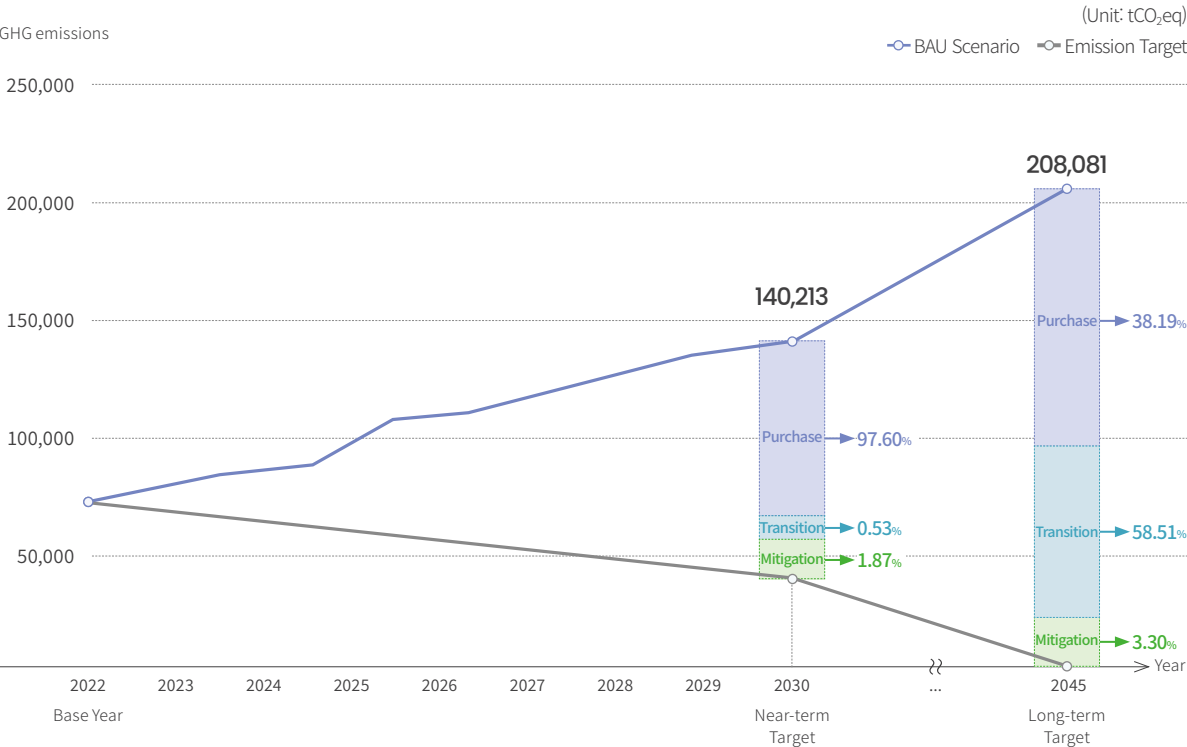
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Pathways to reduce GHG emissions

To achieve our 2045 Net Zero Roadmap, we identify tools to support GHG emissions reduction in the three areas of purchase, transition, and mitigation and work to implement them across our operations. In line with the Roadmap, tasks are selected in diverse areas, ranging from the purchase of renewable energy offsets, transition to eco-friendly fuel and mitigating emissions through reduction technology and increased energy-efficiency, which are then reviewed for their cost-effectiveness and viability to implement more effective ones for achieving our Net Zero Target. To mitigate Scope 1(Direct emission), we developed plans to fully transition from internal combustion engine vehicles to low-emission vehicles for our business fleet cars and to replace LNG boilers with hydrogen-powered boilers. For lowering Scope 2(Indirect emissions), we are considering purchasing renewable energy offsets(REC, Green Premium, and PPA) and voluntary carbon credits as well as improving efficiency in production facilities and energy use, switching to LED lighting, PV power generation, and the adoption of premium electric motors. Celltrion will continue our efforts for GHG emissions reduction based on the three pillars of purchase, transition, and mitigation.

GHG Reduction Pathways with 2045 Net Zero Roadmap



Purchase	Purchase renewable energy offsets · Purchase renewable energy – REC, Green Premium, and PPA · Purchase voluntary carbon credits
Transition	Transition to eco-friendly fuel · Switch to 100% low-emission cars for business purposes by 2030 · Replace LNG boilers with hydrogen-fueled boilers
Mitigation	Reduction technologies and energy efficiency · Switch to high-efficiency lighting (LED) · Save energy through increased efficiency of HVAC equipment and electric motors and other reduction technologies · Expand the installation of PV power generators on idle land

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Response to Climate Change (TCFD)

Celltrion publicly endorsed the Task Force on Climate-related Financial Disclosures(TCFD) in January 2023 to respond to climate change and reduce GHG emissions. In line with the TCFD, we systematically assess climate-related risks and opportunities to analyze their impact on our business, preemptively address key risks, and transparently disclose relevant data.

Governance

Board Activity

Celltrion’s Board of Directors(BoD) manages and oversees environmental management activities to ensure Celltrion fulfills its corporate social responsibility for environmental protection including response to climate change. The ESG Committee, the highest decision-making body for ESG management under the Board, is tasked with reviewing the progress and achievement related to the activities undertaken in relation to climate change agendas.

In 2023, our regulations governing the ESG Committee were amended in a way to submit agendas related to climate change response once a year for the ESG Committee to regularly manage and supervise agendas. Key agendas are proposed by the ESG Management Team taking the lead in organizing the climate change response task force in consultation with relevant working-level departments responsible for safety management, general affairs, procurement, and facility engineering.

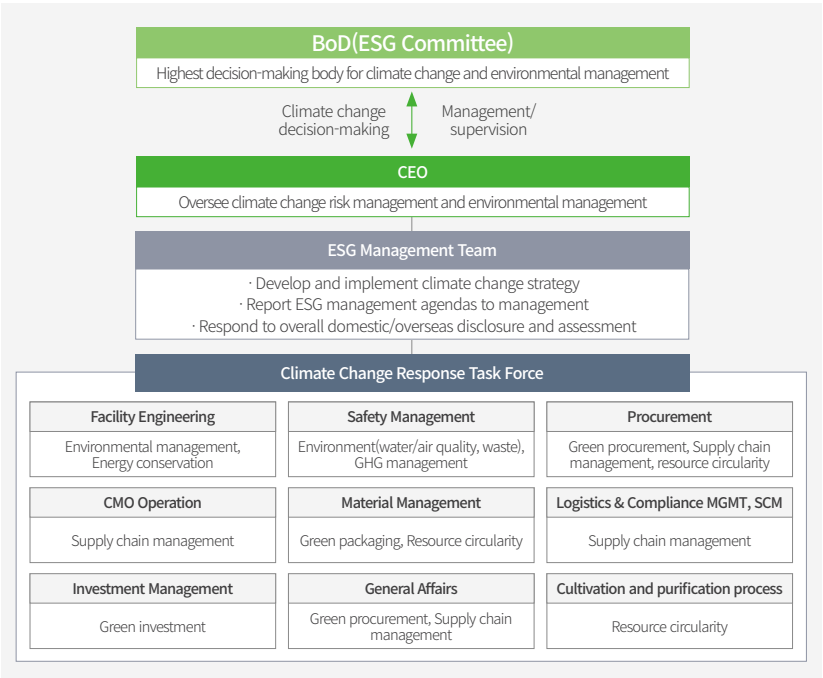
Key Activities Undertaken by the ESG Committee under the BoD

Meeting	Date	Type of Agenda	Agenda	Approval
ESG Committee	1st May 8, 2023	Reporting	·Publishing the 2022-2023 ESG Report(ESG management status, performance, and plan)	Reported
		Proposal	·Amending ESG policies(ESH Policy, Biodiversity Policy, Supplier ESG Management Policy)	Approved
	2nd Dec 28, 2023	Proposal	· Approving the stipulation/amendment of ESG policies(Green Procurement Policy, Information Security Policy, ESG Policy, Human Rights Policy, Supplier ESG Management Policy)	Approved
		Proposal	· Approving ESG assessment results and implementation plans(ESG external assessment results, as-is assessment and task identification, double materiality assessment)	Approved
		Proposal	· Establishing the Net Zero Roadmap and declaring Net Zero commitments(reduction target and means)	Approved

Role of Management

Key ESG management issues are reported to the CEO, and the final decisions are made at the ESG Committee. In particular, key risks identified through climate change risk assessment are reported to corporate management, the CEO, and the ESG Committee to ensure their proper management and oversight. To align actual achievements in responding to climate change with business performance, environmental impact reduction performance is reflected in our CEO KPIs and is tied to CEO’s performance evaluation and remuneration system.

Climate Change Reponse Organization



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Climate Change Scenario Analysis

Identifying Climate-related Risk and Opportunity

We perform climate change scenario analyses to identify potential business impact from climate-related risk and opportunity and assess our organizational resilience in line with the TCFD recommendations.

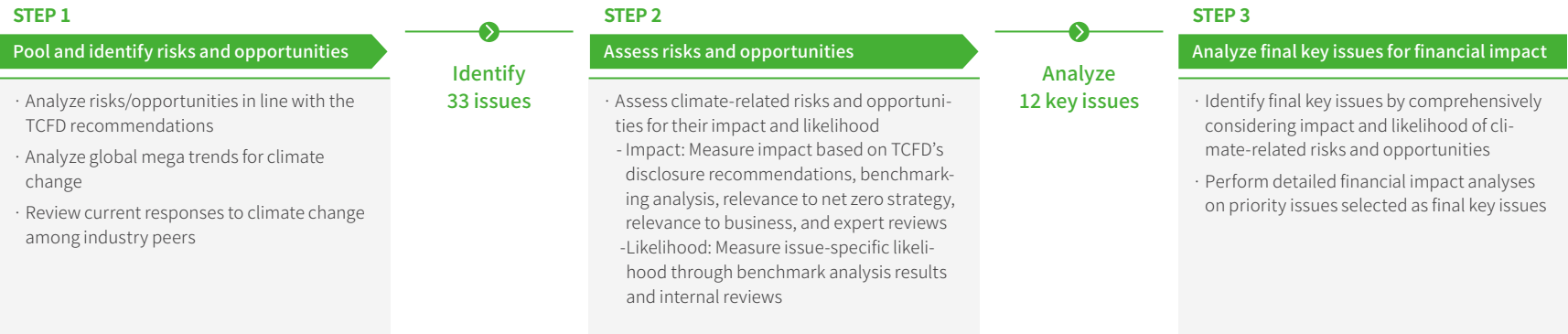
In 2023, we conducted physical risk analyses on 45 domestic/overseas operation sites of Celltrion and Celltrion Pharm, and 9 operation sites where are high on the list in terms of strategic impact and business significance were analyzed for financial impact. The analysis period was set in the short-term(~2030), mid-term(~2040), and long-term(~2045) in consideration of global environmental disclosure mandates and the timeline of our near/long-term Net Zero Target. Physical risks were analyzed based on IPCC¹⁾ and RCP²⁾ scenarios, and transition risks and opportunities on NGFS³⁾ scenarios.

- 1) IPCC: Intergovernmental Panel on Climate Change
- 2) RCP: Representative Concentration Pathways
- 3) NGFS: Network for Greening the Financial System

Climate Change Scenario

Risk/Opportunity	Scenario	Key Assumptions
Physical risk (RCP scenarios)	RCP 2.6 (1.5°C equivalent)	The Earth is able to self-restore from the impact of anthropogenic activities.
	RCP 4.5 (2°C equivalent)	GHG reduction policies are implemented to achieve sizeable reductions
	RCP 8.5 (4°C equivalent)	The current trend of GHG emissions sustains(BAU scenario)
Transition risk and opportunity (NGFS scenarios)	Net Zero (1.4°C)	(Net zero emissions are achieved by 2050) Tightened climate policies help limit average global temperature to below 1.5°C against pre-industrial levels by the end of 2100. The impact of physical risk is low while transition risk gradually increases.
	Delayed Transition (1.7°C)	(Robust climate policies are introduced after 2030) Current policies continue until 2030 and tightened climate policies are introduced beyond that to achieve net zero. Carbon prices surge following the adoption of tightened policies, along with a sudden increase in transition risk.
	Current Policies (2.8°C)	(Average global temperature rises by 2.8°C by 2100) Climate policies fall short of curbing climate change. High levels of carbon emissions result in severe physical risk while transition risk is non-existent or limited.

Climate Change Risk/Opportunity Identification Process

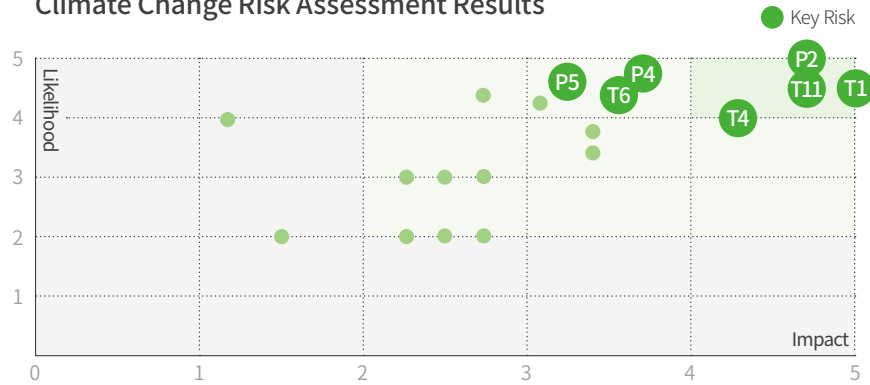


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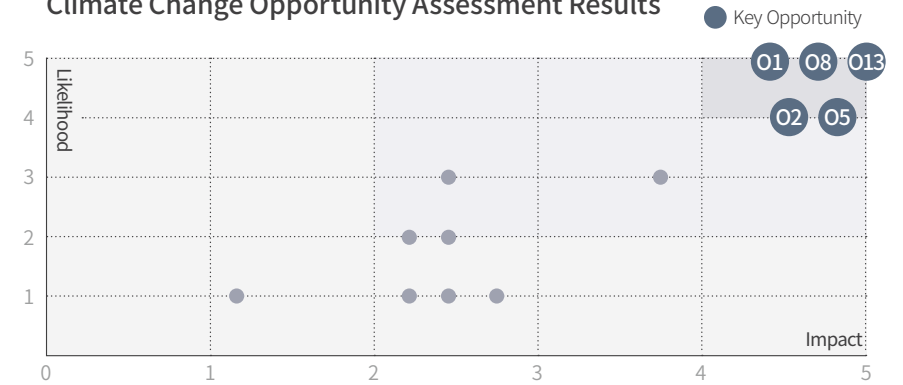
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Climate Change Risk Assessment Results



No	Risk	Type	Climate-related risks	Ranking
P1	Physical risk	Acute	Increasing severity of extreme climate events such as cyclones and floods	10
P2			Maximum temperature	1
P3		Chronic	Variation in precipitation and weather patterns	14
P4			Heat stress	5
P5			Coastal flooding	7
P6	Transition risk	Policy and legal	Aggravating water shortages	15
T1			Participation in emissions trading system	2
T2		Technology	Enhanced climate disclosures	8
T3			Switch from existing products/services to low-carbon products/services	17
T4			Costs to transition to lower emissions technology	4
T5		Markets	Adoption of new practices and processes and costs incurring for their dissemination	18
T6			Costs to transition to renewable energy	6
T7			Changing of customer behavior	11
T8		Reputation	Response to uncertain market signals and pandemics	16
T9			Increase in stakeholder demand for climate change response and social costs	19
T10			Increased costs of raw materials	9
T11			Increased costs of fuel	3
T12			Shifts in consumer preferences	13
T13			Growing stakeholder concerns or negative feedback	12

Climate Change Opportunity Assessment Results



No	Opportunity	Type	Climate-related opportunities	Ranking
O1	Resource efficiency		Use of more efficient modes of transport	3
O2			Use of efficient production and distribution processes	5
O3			Use of eco-friendly packaging	11
O4			Shift to efficient buildings	13
O5			Use of lower-emission sources of energy	4
O6	Energy source		Use of support policy incentives	12
O7			Use of new technology	9
O8			Participation in carbon markets	2
O9			Development and/or expansion of low emission goods and services	7
O10			Shift in consumer preferences and growing product demand	8
O11	Products and services		Strengthened stakeholder communication	10
O12	Markets		Access to new markets	6
O13	Resilience		Participation in renewable energy programs	1

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Impact Analysis of Climate Change Risk and Opportunity

(Unit: KRW 100 million)

■ RCP 2.6 ■ RCP 4.5 ■ RCP 8.5

Physical risk	Transition risk	Opportunity																			
Type	Key Risk	Impact on Business Operations	Key Assumptions	Financial Impact	Response Plans																
Acute	Maximum temperature P2	- Increased recovery costs from damage to production facilities by heatwaves - Decrease in production volume due to facilities made inoperable from damage - Increasing health and safety expenses for workers suffering heatstroke and rising cooling power costs	- Forecast annual maximum daily temperatures based on the location and specificities of key operations in Korea and abroad - Calculate the extent of damage to facilities to estimate revenue reduction caused by decreased production and losses associated with damage costs - Calculate losses from damage based on projected maximum temperatures and historical damage data, and estimate the resulting impact on sales	<table><tr><th>Term</th><th>RCP 2.6</th><th>RCP 4.5</th><th>RCP 8.5</th></tr><tr><td>Short-term (~30)</td><td>112</td><td>125</td><td>140</td></tr><tr><td>Mid-term (~40)</td><td>201</td><td>201</td><td>242</td></tr><tr><td>Long-term (~45)</td><td>233</td><td>253</td><td>324</td></tr></table>	Term	RCP 2.6	RCP 4.5	RCP 8.5	Short-term (~30)	112	125	140	Mid-term (~40)	201	201	242	Long-term (~45)	233	253	324	- Establish a Business Continuity Management System(ISO 22031) - Develop natural disaster re-sponse scenarios and conduct annual training
		Term	RCP 2.6	RCP 4.5	RCP 8.5																
Short-term (~30)	112	125	140																		
Mid-term (~40)	201	201	242																		
Long-term (~45)	233	253	324																		
Chronic	Coastal flooding P5	- Increased recovery costs from damage to production facilities by coastal floods - Decrease in production volume due to facilities made inoperable from damage	- Calculate damage and impact caused by coastal floods to respective assets in line with costal flood depth prediction indicators by considering the location of domestic/overseas key operations and asset properties - Apply the flood impact model scale to estimating floor-specific damage ratios for assets and final flood damages	<table><tr><th>Term</th><th>RCP 2.6</th><th>RCP 4.5</th><th>RCP 8.5</th></tr><tr><td>Short-term (~30)</td><td>474</td><td>647</td><td>648</td></tr><tr><td>Mid-term (~40)</td><td>1,398</td><td>1,572</td><td>1,572</td></tr><tr><td>Long-term (~45)</td><td>1,860</td><td>2,034</td><td>2,034</td></tr></table>	Term	RCP 2.6	RCP 4.5	RCP 8.5	Short-term (~30)	474	647	648	Mid-term (~40)	1,398	1,572	1,572	Long-term (~45)	1,860	2,034	2,034	- Predict change in sea level through continuous scenario analysis - Build an emergency response system to address damage to production facilities - Develop and apply drainage plans for new/expanded facilities based on seawater inundation predictions - Purchase insurance against asset losses to minimize damage from natural disasters
		Term	RCP 2.6	RCP 4.5	RCP 8.5																
	Short-term (~30)	474	647	648																	
Mid-term (~40)	1,398	1,572	1,572																		
Long-term (~45)	1,860	2,034	2,034																		
Heat stress P4	- Decrease in employees' cognitive ability and labor productivity due to heat stress - Decreases in quality of products and services and sales due to declining labor productivity of employees	Predict damage costs by considering annual average decreases in employees' labor productivity due to rising temperatures and the resulting increase in heat stress, the number of employees at each operational site, and labor expenses	<table><tr><th>Term</th><th>RCP 2.6</th><th>RCP 4.5</th><th>RCP 8.5</th></tr><tr><td>Short-term (~30)</td><td>1,053</td><td>1,053</td><td>1,070</td></tr><tr><td>Mid-term (~40)</td><td>3,297</td><td>3,298</td><td>3,419</td></tr><tr><td>Long-term (~45)</td><td>4,522</td><td>4,559</td><td>4,823</td></tr></table>	Term	RCP 2.6	RCP 4.5	RCP 8.5	Short-term (~30)	1,053	1,053	1,070	Mid-term (~40)	3,297	3,298	3,419	Long-term (~45)	4,522	4,559	4,823	- Develop internal environmental safety measures to minimize damage to employees and operations in relation to heat stress - Develop and operate a summer season heatwave monitoring and response system - Ensure workplace safety management for employees by informing phased response instructions and conducting on-site guidance reviews	
Term	RCP 2.6	RCP 4.5	RCP 8.5																		
Short-term (~30)	1,053	1,053	1,070																		
Mid-term (~40)	3,297	3,298	3,419																		
Long-term (~45)	4,522	4,559	4,823																		

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Impact Analysis of Climate Change Risk and Opportunity

(Unit: KRW 100 million)

Physical risk	Transition risk	Opportunity			
Type	Key Risk	Impact on Business Operations	Key Assumptions	Financial Impact	Response Plans
Policy and Legal	Participation in emissions trading system T1	- Increased costs for purchasing carbon credits caused by auctioning and increasing carbon price - Estimate shortfall emissions which is the difference between expected emission and allocation credits by considering expected sales, industry growth rate, etc. - Estimate the cost of purchasing carbon credits for the shortfall based on carbon prices under NGFS scenarios			- Implement and advance the Net Zero Roadmap in line with GHG regulation policies - Monitor carbon credit price fluctuations in Korea and abroad - Prepare the response plan for climate-related risk and financial impact for domestic/overseas subsidiaries
Markets	Increased costs of fuel T11	- Increased electricity generation and purchase costs due to increases in fossil fuel power generation costs attributable to climate change and tightening market regulations - Increased production costs due to increases in fuel costs and electricity purchase costs	- Calculate projected fossil fuel and power consumption at domestic operations, and consider fluctuations in fossil fuel/power purchase prices to determine fuel costs - Calculate fuel costs by applying price variation ratios under the three NGFS scenarios based on prices in the domestic energy market		- Establish plans to adopt efficient transport options by switching from Internal Combustion Engine (ICE) vehicles to EVs - Develop plans to switch from LNG to hydrogen and other lower emission energy sources as primary energy source for production facilities
Technology	Costs to transition to lower emissions technology T4	- Incurred costs for lower emission technology investment(transition, mitigation) to achieve the Net Zero Target * Transition: Shift to EVs and hydrogen-fueled boilers * Mitigation: Switch to LED lighting and HVAC with increased efficiency, install PV power generators, etc.	Calculate investment costs for a low-emission transition based on fuel transition and reduction technology under the Net Zero Roadmap		- Identify and establish a roadmap to embrace reduction technology, including shifting to eco-friendly fuels and adopting lower emission technology - Improve investment efficiency through economic feasibility study for respective lower emission technologies
Technology	Costs to transition to renewable energy T6	- Incurring investment costs for renewable energy transition (purchase and power generator adoption) to achieve the Net Zero Target * Green Premium/REC¹⁾ purchase, PPA²⁾ signing, install PV power generators	Calculate costs for a renewable energy transition based on PV generation and fuel transition and reduction technology under the Net Zero Roadmap		- Develop renewable energy transition plans by using PV power generators and RE100 implementation tools - Improve investment efficiency through economic feasibility study for respective RE100 implementation

1) REC : Renewable Energy Certificate
2) PPA : Power Purchase Agreement

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Impact Analysis of Climate Change Risk and Opportunity

	Physical risk	Transition risk	Opportunity		NGFS 1.4°C	NGFS 1.7°C	NGFS 2.8°C
Type	Key Opportunity	Impact on Business Operations	Key Assumptions	Financial Impact	Response Plans		
Resource Efficiency	Use of more efficient modes of transport O1	Savings on costs for fuel and carbon credits by transitioning to eco-friendly transport	Calculate savings on credit purchase costs by considering fuel cost savings as compared against ICE vehicles and reductions in GHG emissions according to EV transition plan under the Net Zero Roadmap		Introduce efficient transport options by switching from ICE vehicles to EVs and establishing EV charging infrastructure		
	Use of efficient production and distribution processes O2	Reduced costs for purchasing carbon credits by saving fuel and reducing emissions through replacing production facilities and improving energy efficiency	Calculate costs for purchasing carbon credits by saving fuel and reducing emissions through replacing production facilities and improving energy efficiency under the Net Zero Roadmap		Introduce reduction and energy-saving technology into production facilities by considering their replacement period		
Energy Source	Use of lower-emission sources of energy O5	Reduced costs for purchasing fuel and carbon credits by using low-emissions sources of energy through transition from LNG to hydrogen-fueled boilers	Calculate costs for purchasing carbon credit by saving fuel cost and reducing emissions through replacing to hydrogen-fueled boilers under the Net Zero Roadmap		Increase investment to introduce hydrogen and other low-emissions fuels at production facilities		
	Participation in carbon markets O8	Increasing operating profit from the sale of surplus carbon credits in the K-ETS(Korean Emissions Trading System)	- Calculate expected revenue of selling surplus carbon credits by applying credit price fluctuations under NGFS scenarios - Calculate expected emissions by considering auctioned allowances of operational site and carbon credits from each climate change scenario		Increased profits from selling surplus carbon credits by implementing the Net Zero Roadmap		
Resilience	Participation in renewable energy programs O13	- Participation in renewable energy program(RE100) - Reduced costs for purchasing carbon credits by transition to renewable energy	Calculate saving cost to reduce emissions from using electricity by transition from fossil fuel to renewable energy		- Participate in the transitions to renewable energy by replacement to PV power plant and purchase to renewable energy offsets - Achieve the transition goal which is 100% of renewable energy (RE100) by investment in renewable energy		

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Risk Management

Risk Identification

Celltrion identifies and assesses key risks and opportunities that may arise across business operations due to climate change. In line with TCFD recommendations, we identify risks and opportunities associated with global climate change trends and the climate change responses of industry peers to pool together and manage relevant issues. These identified risks are broadly divided into physical risks and transition risks. Physical risks are further classified into acute and chronic risks and transition risks into policy and legal, technology, market, and reputational risks. Identified opportunities are also classified into resource efficiency, energy source, products and services, markets, and resilience.

Risk Assessment

Celltrion assesses risks and opportunities to determine their impact on our business operation based on the pool of risk and opportunity issues. Each risk and opportunity is evaluated based on its impact and likelihood to set priorities. Impact are made based on relevance to our business, Net Zero Roadmap, and financial/non-financial impacts, while likelihood is evaluated based on benchmarking industry peers and internal review results. These risk assessment results and identifies priorities inform our efforts to advance our risk assessment methodology year after year and develop sustainable risk response plans.

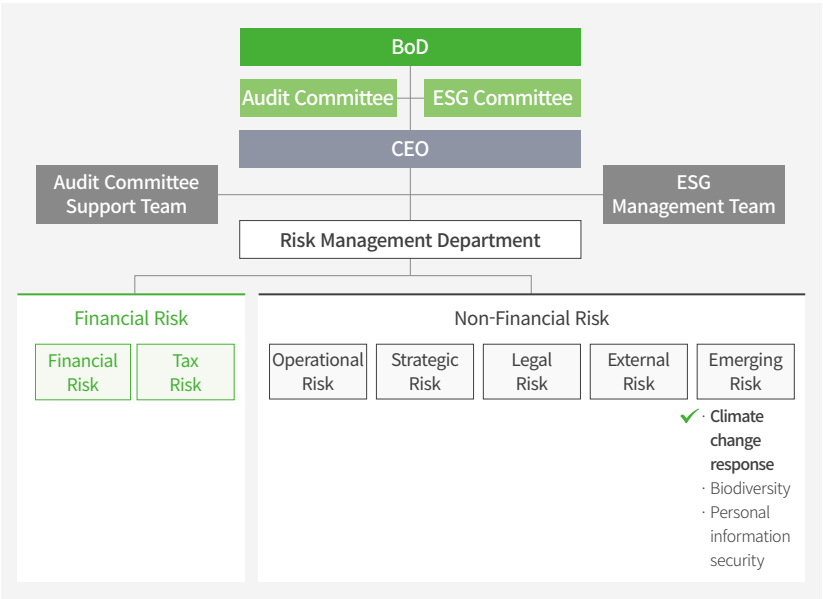
Risk Response

Celltrion develops response plans for key climate-related risks and opportunities to establish a sustainable risk response system. The ESG Committee under the Board of Directors develops response plans for key climate-related risks and opportunities, and reviews opportunities to discover enterprise business opportunities in line with these plans. The ESG Management Team compiles key climate-related issues and responses at the working-level department level and reports the results to the CEO and the ESG Committee, developing enterprise response strategies and exploring management plans. Key climate-related risks and opportunities are managed as emerging risks within our enterprise risk management system. Identified key emerging risks are internalized into the Environment, Health and Safety(EHS) risk management process within the business continuity management system(ISO 22301) and the environmental management system(ISO 14001) for risk response management. For emerging risks, we proactively prepare response strategies taking into account physical/human damages and operating losses. We plan to upgrade our risk analysis by considering the location of respective operational sites, asset characteristics, and business conditions, and elaborate on our response plans and implementation procedures to minimize the impact of climate change on key assets.

Risk Monitoring

Celltrion manages and oversees the risks, opportunities, and response plans identified through climate change risk assessments as enterprise emerging risks, and monitors emerging risks under our enterprise risk management system along with financial and non-financial risks. Our enterprise risk management system serves to monitor financial and non-financial emerging risks through working-level departments, and we continue to manage risks that may arise within our entire value chain, including risks associated with domestic/overseas policies and supply chains. To this end, we pursue engagement activities with wide-ranging stakeholders, including suppliers and customers, along the upstream and downstream of supply chains.

Climate Change Risk Management System in ERM



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Metrics and Target

GHG Emissions

We manage GHG emissions generated within the organizational boundary of all our operations in conformity with the guidelines for reporting and certification of greenhouse gas emissions trading system. Each year, third-party verifications are performed on our Scope 1 and 2 emissions and energy consumption, which are disclosed through GHG verification statements. To ensure sustainable, long-term GHG emissions reduction, we set our 2045 Net Zero Target in 2023 as our near/long-term targets to reduce Scope 1 and 2 emissions. In tandem with this, we calculated our Scope 3 emissions for the first time which cover the entire value chain spanning upstream and downstream as well as GHG emissions generated from our own operations. This will enable us to build a more robust GHG inventory spanning supply chains as well as our own operations to ensure systemic GHG emissions calculation and mitigate GHG emissions.

Supply Chain Emission Calculation

To calculate Scope 3 emissions generated from our supply chains, we chose major upstream and downstream categories and calculation methodologies, and systematically collected evidence data for calculation, including monetary value and quantities of raw materials purchased, fuel consumption, and emission factors by classifying them into internal data and data obtained through third-party cooperation. Our calculation of Scope 3 emissions for 2023 includes Celltrion, and this will extend to coverage of Scope 3 to Celltrion Pharm to continuously expand the scope of calculation.

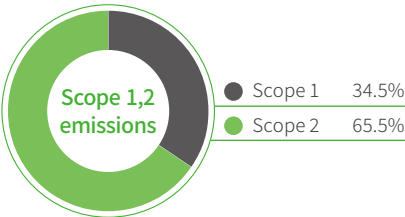
Supply Chain Emissions Management

As a result of calculating Scope 3 emissions from the entire supply chains, it was revealed that most emissions were generated from Category 1(Purchased goods and services) and Category 9(Downstream transportation and distribution). To manage GHG emissions in these two categories, we will bolster our partnership with major suppliers for data calculation while continually forging cooperative relationships to reduce supply chain GHG emissions. We will also elaborate on our year-specific Scope 3 emissions calculation methodologies to constantly upgrade our Scope 3 emissions calculation system.

GHG emissions

(Unit: tCO₂eq)

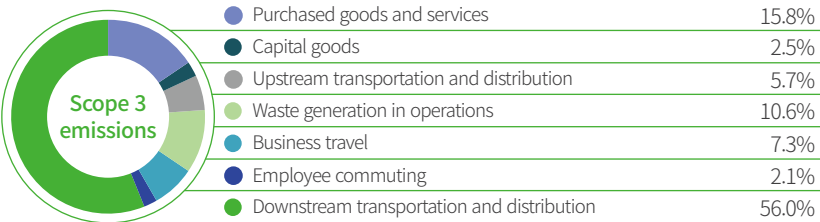
Scope 1, 2 emissions¹⁾



Emission	Celltrion	Celltrion Pharm	Total
Scope 1	22,457	5,301	27,758
Scope 2	42,260	10,405	52,665
Total	64,717	15,706	80,423

1) Scope: Celltrion, Celltrion Pharm(Ochang Plant)

Scope 3 emissions²⁾



2) Scope: Entire supply chains of Celltrion

Category		Scope 3	
		Emissions(tCO ₂ eq)	Percentage(%)
1	Purchased goods and services	4,558	15.8
2	Capital goods	714	2.5
4	Upstream transportation and distribution	1,625	5.6
5	Waste generated in operations	3,035	10.5
6	Business travel	2,112	7.3
7	Employee commuting	618	2.1
9	Downstream transportation and distribution	16,136	56.0
Total		28,798	100.0

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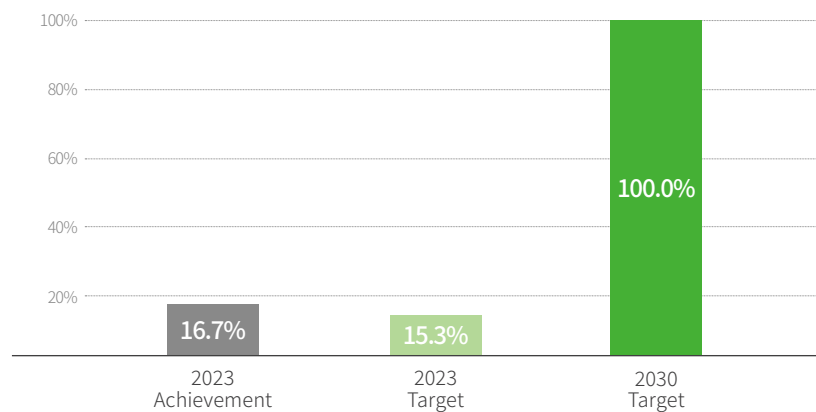
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Metrics and Targets

Transitioning to Low-emission Vehicles

We are working to minimize GHG and air pollutants emitted from our fleet vehicles currently operating. We established our plan to transition to low-emission vehicles back in 2022 and are pursuing a phased transition from internal combustion engine vehicles to electric vehicles(EVs), hybrid vehicles and other low-emission vehicles. As of 2023, 12 out of our 72 corporate fleet vehicles, nearly 16.7% of total, are low-emission ones(3 EVs and 9 hybrid vehicles), and their proportion will further increase in the upcoming years. More to the point, we will fully commit to achieving our goal of 100% transition to low-emission vehicles(EV100) for our company fleet vehicles by 2030. To ensure the low-emission vehicle transition and their reliable operation in the workplace, we are installing chargers and will continue to do so in the upcoming years. To this end, nearly 20 EV chargers will be installed in 2024 for office spaces and expansion facilities.

Low-emission Vehicle Transition Target and Achievement



Climate Change Response Activity

To boost our efforts to achieve our Net Zero Roadmap and tackle climate change, we are strengthening partnerships with local government agencies, relevant organizations, and other stakeholders. A case in point is the MOU we signed with the Ministry of Environment, Incheon City, and multiple other companies to establish Net Zero and green growth partnerships. Under this MOU, Celltrion will actively join hands with Incheon City to help attain its Net Zero Target and collaborate with the Ministry of Environment to endorse the nation's Net Zero policy initiative and policy implementation. We will also participate in various Net Zero-related support activities led by Incheon City while sharing our achievements in reducing GHG emissions to disseminate our Net Zero endeavors across local communities.

MOU for Net Zero and Green Growth Partnerships



Source: A new era of disseminating worldwide climate change adaptation, opening in Incheon, 'Korea Global Adaptation Week 2023' successfully ended, Incheon City(Sep. 3, 2023) [Press Release]

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Biodiversity

Biodiversity Conservation Activity

The preservation of natural capital serves as a highly critical factor due to the inherent characteristics of our industry. Most medicines contain ingredients extracted from plants and animals and the raw materials of medicine come from natural capital encompassing sea, forest and living organisms. Celltrion prioritizes biodiversity conservation as our key value and engages in a wide array of activities to protect ecosystems in the vicinity of our operations.

Protecting Endangered Wildlife

Celltrion identifies endangered wildlife inhabiting Yeonsu-gu, Incheon, where our operations are based, and takes specific actions to preserve biodiversity. According to endangered wildlife statistics of the National Institute of Ecology, Yeonsu-gu is home to three species of Class 1 endangered wildlife(3 bird species) and 14 species of Class 2 endangered wildlife(12 bird species, 1 amphibian/reptile species, 1 invertebrate species), making it an area of high ecosystem preservation value. This prompted us to ensure that water used in the production process is thoroughly treated prior to discharge to minimize the release of pollutants to the environment.

Endangered Wildlife Inhabiting in Yeonsu-gu, Incheon¹⁾

Species of Class 1 Endangered Wildlife(3 bird species) ²⁾		
3 bird species	· Egretta eulophotes · Platalea minor · Haliaeetus albicilla	
14 Species of Class 2 Endangered Wildlife(12 bird species, 1 amphibian/reptile species, 1 invertebrate species) ³⁾		
12 bird species	· Falco peregrinus · Larus saundersi · Haematopus ostralegus · Platalea leucorodia · Calidris tenuirostris · Falco subbuteo	· Numenius madagascariensis · Circus cyaneus · Accipiter gularis · Accipiter gentilis · Cygnus cygnus · Anser fabalis
1 amphibian/reptile species	· Kaloula borealis	
1 invertebrate species	· Austrua lactea	

1) Source: Ecological Booklet on Endangered Wildlife, National Institute of Ecology(2023)
 2) Class 1 endangered wildlife: Wildlife facing the risk of extinction(Article 2 of the Wildlife Protection and Management Act)
 3) Class 2 endangered wildlife: Wildlife that may face the risk of extinction(Article 2 of the Wildlife Protection and Management Act)

Ecosystem Protection Activity

Celltrion undertook biodiversity conservation activities targeting wetlands located in Incheon where we operate, recognizing the high preservation value of these wetlands designated as Ramsar site. The Songdo Tidal Flat is home to Numenius madagascariensis, and this endangered bird species feeds on Japanese ghost crabs also inhabiting the wetlands. Not only do Japanese ghost crabs serve as a primary source of food for Numenius madagascariensis, but they also decompose organic matters to help the wetlands they occupy with self-purification, making significant contributions to the preservation of the wetland ecosystem.

A recent increase in illegal crab fishing traps resulted in a decline in Japanese ghost crab populations, posing a severe threat to the entire wetland ecosystem. Celltrion employees deeply appreciated the seriousness of this issue and joined hands with seven environmental civic groups in Incheon and international organizations in October 2023 to remove over 200 pieces of traps illegally installed across the 1km section of the Songdo Tidal Flat to fish Japanese ghost crabs. Going forward, Celltrion will engage in wetland purification and preservation to help safeguard habitats for endangered wildlife including Numenius madagascariensis.

'Songdo Tidal Flat Restoration' for ecosystem protection



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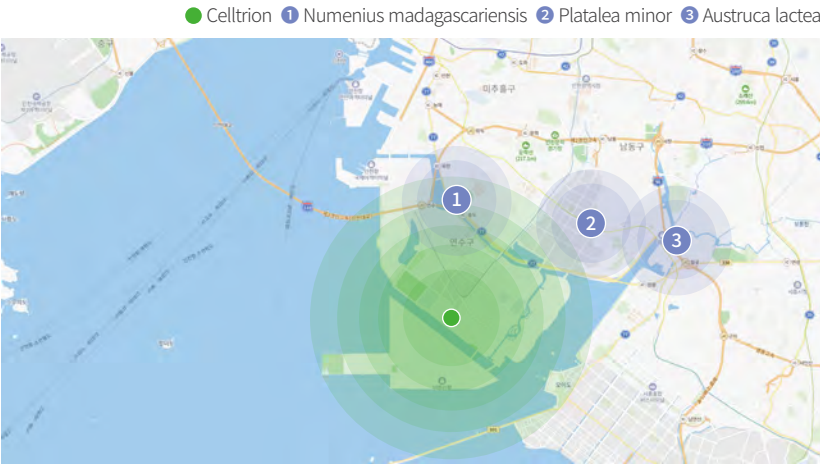
Biodiversity Response Strategy

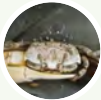
Songdo in Yeonsu-gu, Incheon, Korea where Celltrion is based includes the Songdo Tidal Flat which was designated as Ramsar wetland for its high ecological conservation value. This area is also home to multiple species of endangered wildlife and thus is recognized for its high biodiversity conservation value. We deeply believe in the value of biodiversity and ecological preservation, and will continue to establish a biodiversity management system, identify endangered wildlife, and conserve biodiversity in line with our Biodiversity Policy and Deforestation Prohibition Policy.

To establish our biodiversity risk management system, we are looking into global assessment methodologies and frameworks, including TNFD(Taskforce on Nature-related Financial Disclosure) framework and the LEAP approach to identify endangered wildlife in Songdo, Incheon where we are based and measure our dependencies and impacts.

To measure the location-based dependency and impact of our production facilities on the ecosystem, we will identify endangered wildlife inhabiting Songdo, Incheon, and identify our dependency and impact accordingly. We will also team up with civil groups and other stakeholders in our local communities to monitor endangered wildlife. As part of our activities to safeguard species with high identified dependency and impact, we will engage in biodiversity conservation activities at least once each year. Working with wide-ranging stakeholders – Incheon municipalities, public organizations, civic groups – for conservation activities, we will engage in a range of activities to protect ecosystems and biodiversity in areas where we operate, and report our biodiversity response strategies and achievements to the Board of Directors while disclosing such information to stakeholders.

Identification of Endangered Wildlife in Yeonsu-gu, Incheon



Category	Description
 Numenius madagascariensis	- Class 2 of endangered wildlife - Protected marine species - IUCN¹⁾ Red List
 Platalea minor	- Class 1 of endangered wildlife - Natural Monument No. 205-1 - Protected marine species - IUCN Red List - Flagship species for Incheon
 Austruca lactea	- Class 2 of endangered wildlife - Protected marine species - Flagship species for Incheon

Source: Ministry of Environment(National Institute of Ecology), Cultural Heritage Administration, Ministry of Oceans and Fisheries, Conservation and Management of Marine Ecosystems Act, Incheon City
 1) IUCN: International Union for Conservation of Nature

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Product Quality and Patient
Safety

R&D Innovation

Improving Access to
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Supply Chain ESG
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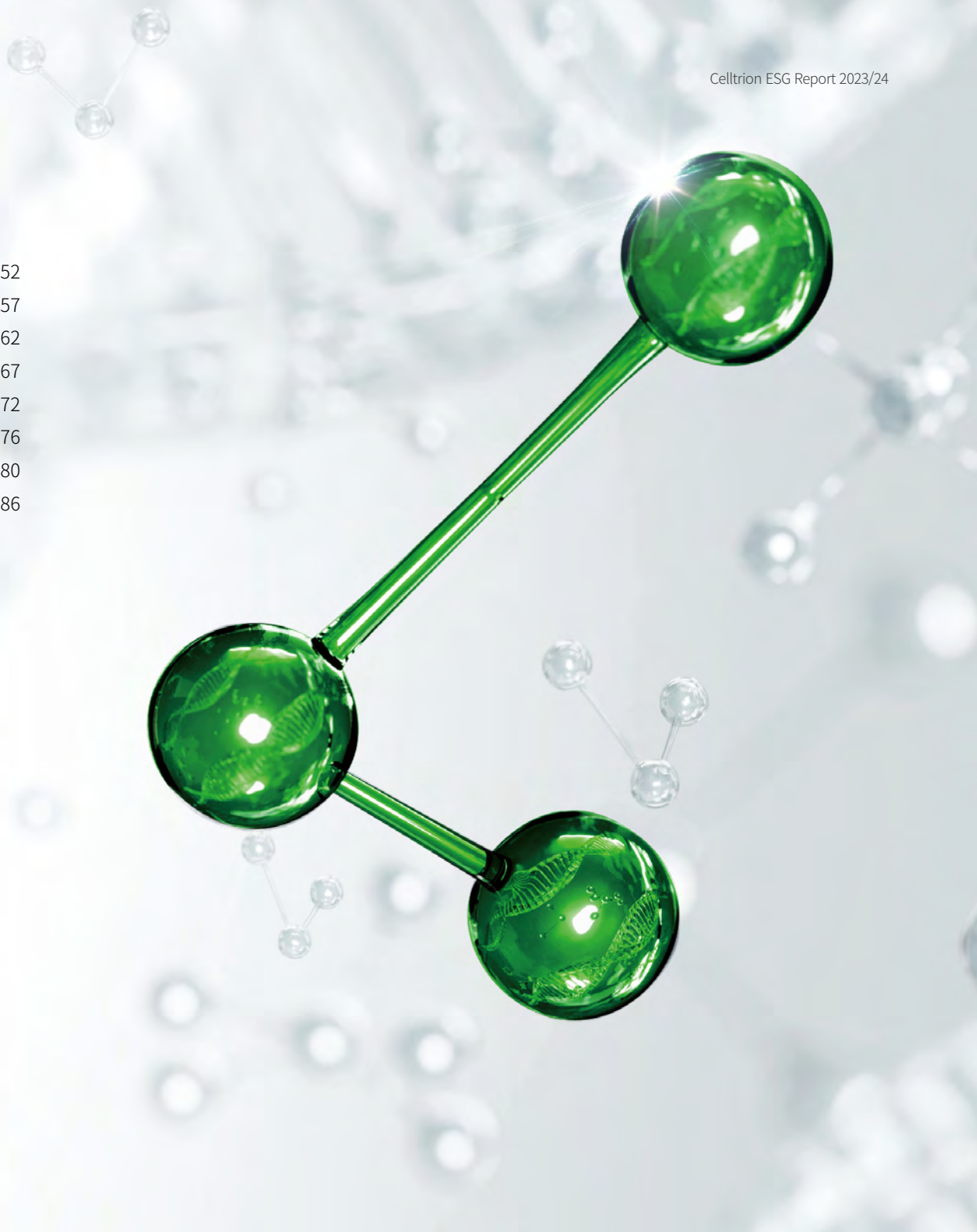
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Human Rights Management

Human Rights Management System

Human Rights Policy

Celltrion puts respect for human rights at the center of our management philosophy and protects human rights for all stakeholders. To this end, we stipulated our own Human Rights Policy and ensure that suppliers and all other stakeholders doing business with us as well as our employees abide by this policy. Our governance system is established in a way to endorse and implement international human rights standards and principles, including the Universal Declaration of Human Rights(UDHR), the UN Guiding Principles on Business and Human Rights(UNGPs), the UN Convention on the Rights of the Child(UNCRC), the Fundamental Conventions of International Labor Organization, and the Corporate Human Rights Benchmark(CHRB).

Human Rights Policy

Human Rights Management Roadmap

STEP 1

~2023

- Establish and implement a human rights awareness assessment process
- Develop plans to manage potential human rights issues

STEP 2

2024~2025

- Implement and regularize human rights impact assessment based on potential human rights issues
- Establish improvement tasks for key risks and assess their effectiveness

STEP 3

2026~

- Expand the target of human rights impact assessment by considering the application scope of Human Rights Policy

Human Rights Management Governance

We preemptively identify and improve business activities that may give rise to human rights violation to respect human rights for our employees and all our stakeholders. Key issues for human rights management are reported to the CEO and escalated to the ESG Committee under the Board of Directors for final decision-making, and the human rights taskforce, comprised of various dedicated departments, engages in human rights management activities.

Human Rights Management Organization



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Human Rights Management

Human Rights Management

Human Rights Risk Management

Celltrion operates a human rights risk management system to drive human rights management in line with our Human Rights Policy. This management system is regularly reviewed to promptly respond to changing social conditions and potential risks, and human rights risks that may occur in business operations are identified to preemptively manage relevant factors. We publicly disclose our human rights impact assessment and monitoring results to make them accessible to stakeholders. We also operate on/offline channels year-round for internal/external stakeholders to raise their human rights grievances while providing an online mental health checkup program for employees to receive risk diagnosis and psychological counseling for mental health management. Celltrion will keep our human rights risk management system up to date and pursue necessary improvements to safeguard the fundamental rights of our employees.

Human Rights Risk Management Process



Human Rights Impact Assessment

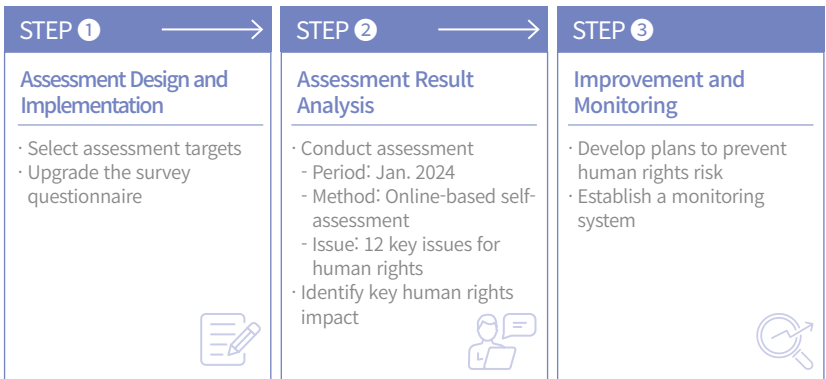
We conduct human rights impact assessment each year to identify potential and actual human rights risks that may occur in our business operations. Such assessment allows us to comprehensively address human rights issues specified in our Human Rights Policy, including non-discrimination, increased diversity & inclusion, and prohibition of workplace bullying, ensuring equal pay for equal work, and improvement in working conditions. We scaled our human rights impact assessment to cover all our employees in 2023 to take stock of our human rights management across our overall business operations and identify human rights risks.

Assessment Design and Implementation

Our employee human rights impact assessment is designed to assess human rights risks that we should prioritize for management, by taking into account potential groups facing human rights vulnerabilities¹⁾. The 2023 assessment survey was conducted on all our employees including contract workers, part-timers, and employees, of pre-merger Celltrion Healthcare, thereby the number of respondents increased from the previous year. The questionnaire consisted of 26 questions on a 5-point scale across 12 human rights issues, and the survey was conducted in anonymous online self-assessment format to identify human rights impact.

1) Women, children, people with disabilities, foreigners, non-regular workers

Human Rights Impact Assessment Process



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Human Rights Management

Raising Human Rights Awareness

Human Rights Training Program

Celltrion aims to establish human rights awareness at all levels as the foundation to advance human rights management. To create an enterprise culture that respects human rights and embraces diversity, we provide training to prevent sexual harassment and workplace bullying and improve perceptions of disability. In 2024, we will continuously upgrade such training courses to enhance our human rights awareness and bolster our execution.

Alignment with CEO KPIs

We align human rights impact assessment results with our CEO's KPIs. Our CEO reviews human rights risks to ensure the systemic operation of human rights management and makes decisions on key human rights issues.

Operating Grievance Mechanisms

Our grievance mechanisms are managed by the Culture Team under the Corporate Culture Division. We operate a clear and systematic process to protect the human rights of all employees.

Grievance Handling Process

STEP 1	STEP 2	STEP 3	STEP 4
Receive reports	Investigate and verify facts	Report and take action	Follow up
- Grievance mechanisms under the Corporate Culture Division(Tongnamu as an anonymous channel, Labor-management Council, online submission, Grievance Committee) - Others(submitted through relevant managers)	- Check factual grounds and investigate according to procedures - Offer counseling and take protective action for whistleblowers	- Report to committees attended by top decision-makers and to management meetings when the concerns are substantiated - Take action and develop plans to prevent harm	- Take HR action according to internal regulations - Improve systems and practices to prevent recurrence when necessary

Celltrion operates a range of communication channels to gather and swiftly resolve concerns and grievances raised by employees. Our grievance mechanisms serve to receive feedback and grievances from employees through on/offline channels spanning an in-house proposal channel, the Labor-management Council, the Grievance Committee, and a counseling center.

Tongnamu, our in-house anonymous grievance handling channel, receives overall human rights concerns on such issues as sexual harassment, workplace bullying, HR management, and suppliers as well as benefits-related proposals. In particular, our CEO responds to all issues raised through Tongnamu within two weeks to ensure their timely and proper resolution. The Labor-management Council is also up and running as a regular consultative body to develop improvement measures for proposals or grievances raised through labor members of the Council and members of the Grievance Committee.

In 2023, a total of 625 grievances were submitted through the system, and the outcome or action plan and timeline for all cases were communicated to the complainant in a timely manner. The number of grievances submitted in relation to workplace discrimination and bullying was 10¹⁾ in total in 2023, and all of them were addressed through disciplinary actions. Celltrion fully commits to protecting whistleblowers and victims in operating grievance mechanisms. We ensure that relevant information is not disclosed to others against the will of whistleblowers and/or victims, and we continually manage to prevent any disadvantages resulting from whistleblowing.

1) 2 cases officially submitted to the Culture Team, 8 cases submitted through Tongnamu

Human Rights Issue Communication Channel by Stakeholder Group

Stakeholder	Communication Channel	Key Issue	Outcomes
Employees	·Tongnamu as in-house channel	·Workplace discrimination and bullying	100% (625 cases submitted)
	·Labor-management Council	·Sexual harassment	
	·Members of the Grievance Committee	·HR management/benefits	
	·Counseling center	·Improvement in amenities	
Non-employees	·Report concerns on the Celltrion's website	·Suppliers management	100% (15 cases submitted)
	·Subcontractor council	·Human rights violation and other types of discrimination	
		·Improvement in safety and working conditions	

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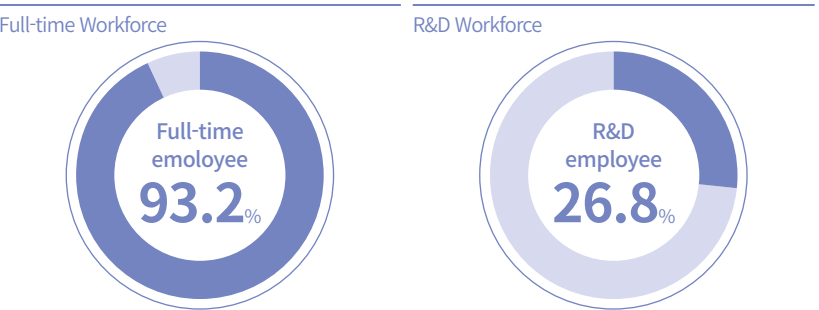
Talent Management and Corporate Culture

Talent Management

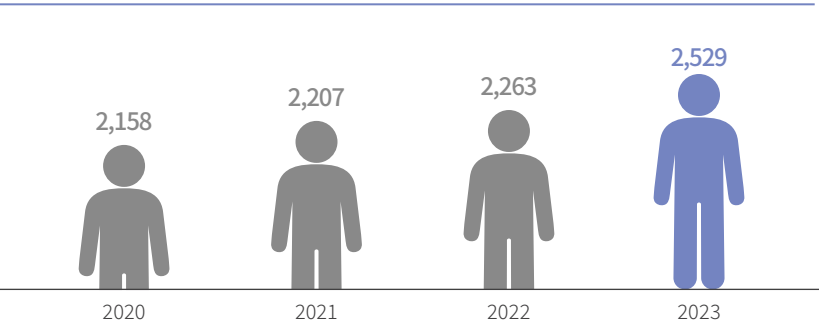
Talent Recruitment

Celltrion brings in talented individuals to seek the growth of our biosimilar business, expand our novel drug pipeline, and boost the competitive edge of our small molecule business. Our total headcount increased each year to reach 2,529 employees at the end of 2023. Full-time employees are 93.2% of the total as of the end of 2023, and we maintain a high proportion of R&D workforce at 26.8% of the total to pursue R&D innovation.

Composition of Workforce



Number of Employees



Talent Nurturing

Specialized Vocational Training

Celltrion provides specialized vocational training courses to help improve employees' expertise. In relation to this, advanced vocational training is made available that is directly and indirectly associated with respective functions such as production, R&D, and quality. We provide training to enhance job expertise in areas such as culture and purification technology in production and cell line identification and next-generation sequencing in R&D. We also provide ongoing training to enhance understanding of the industry as a whole, such as biopharmaceutical analysis and trends, to improve quality. Celltrion aims to strengthen the capabilities of its employees through specialized job training and develop innovative medicines in line with the direction of future technologies.

Specialized Vocational Training Provided

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

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Category	Description	Score
Training satisfaction	Satisfaction with training content and instructors' expertise	3.9 points
Training achievement	Level of understanding about training content and the knowledge acquired	4.1 points
Alignment with work	Relevance of training to work and level of improvement made in actual competency	4.1 points
Overall score		4.0 points

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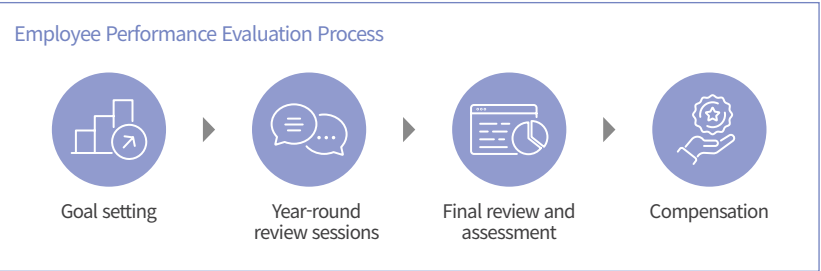
Talent Management and Corporate Culture

Performance Appraisal and Compensation

Collaboration-centered Assessment

We conduct performance appraisals for all employees once a year in a way that prioritizes collaboration among colleagues and departments, rather than triggering excessive competition among co-workers. This is made possible by recognizing performance achieved through teamwork or cross-functional cooperation as the key assessment criteria, and performance is rated in the three grades of Special, Outstanding, and Good without negative grades. In particular, collaborative attitudes and achievements account for a high portion of overall performance appraisal to encourage employees to align themselves with the attainment of their departmental and enterprise goals. This is coupled with our efforts to pursue agile communication to help employees achieve our shared goals more effectively. To this end, our positive assessment program selects a specific percentage of employees for their exceptional performance during the year to boost employee morale and organizational vitality.

We ensure the procedural fairness of our performance appraisal by adhering to the detailed standards and guidelines established for each phase of the process, from goal setting at the beginning of the year to mid-year review and year-end assessment and interview. Trainings and guidebooks are provided to assessors to enhance their assessment competency, along with constant HR reviews.

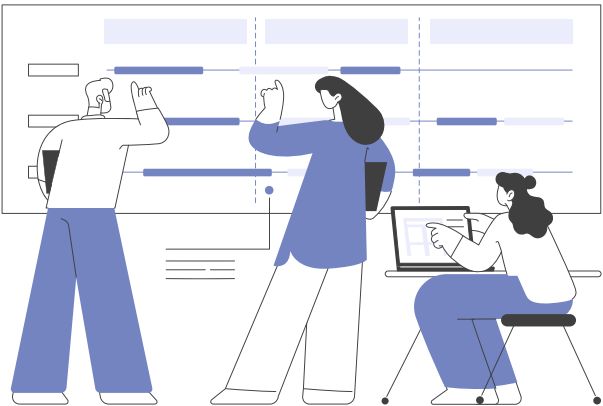


Tying Compensation to Performance

Celltrion’s performance-centered compensation system aligns performance appraisal results with compensation. Assessment results are tied to the next year’s increase in annual salary, and variable performance pay is provided apart from fixed annual salary under the Profit Sharing(PS) program. The PS program applies to employees irrespective of job categories, and determines performance pay through a multi-faceted review of assessment results for the team, its higher-level organization associated with the employee as well as individual assessment results. This ensures that individual compensation is tied to individual, team, and enterprise performance.

Employee Stock Ownership

Celltrion operates the employee stock ownership program for all employees to help them share our corporate vision and promote mutual growth of individual employees and the company. Employees may purchase and own Celltrion shares through the Celltrion employee stockholders’ association which consists of 1,135 employees or 44.9% of the total, as of the end of 2023.



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Talent Management and Corporate Culture

Work-Life Balance

Creating a Family-Friendly Working Environment

Our aspiration is to become a company where employees and their families feel content, and we are working to create a family-friendly working environment to this end. We provide nursing rooms equipped with nursing equipment, including breast pumps, refrigerators, and private areas, for mothers(including expectant mothers), and operate an in-house day-care center, along with maternity leave, parental leave of absence, work hour adjustment, and reduced working hours. In addition, pink parking lots were made available for pregnant employees in the entire parking facilities of Plants 1 and 2 and the Office Building. To help alleviate employees' burden of educational and medical expenses, we support them in paying for children's tuition and healthcare costs. When the need for nursing care arises for the purpose of family support, we encourage our employees to take carer's leave to attend to their family members, helping them strike the right work-life balance.

Support for Work-Life Balance

Category	Program
Work Arrangement	- Flexible working hours - Selective working hours - Alternative leave - Recognized work hours
Leave	- Encouraged use of annual leaves - Encouraged use of long weekends - Long service leave
Childcare /childrearing	- In-house daycare center - Nursing rooms - Work hour adjustment and reduced work hours - Parental leave - Pink parking lots - Fertility treatment leave - Congratulatory incentives for childbirth - Congratulatory gifts for childbirth - Prenatal/postnatal maternity leave - Paternity leave - Multiple birth leave - Hiring substitutes for employees taking leave
Homes	- Tuition fees for children - Special educational expenses for children with disabilities - Carer's leave - Transportation expenses for unmarried employees to visit their homes outside the metropolitan area - Support for family events
Healthcare	- Support to pay for medical expenses - Regular health checkups - Group accident insurance - In-house nurse's office - Posture correction education program

Labor-Management

Labor-Management Council Operation

Celltrion strives to pursue growth and development on the back of labor relations anchored on trust and cooperation as well as a sound corporate culture. The Employee Council, the labor-management council that we operate independently, serves to gather grievances and suggestions from employees, and these bases our efforts between labor and management to improve welfare and working conditions towards the development of the company. The Employee Council Agreement applies to all employees, and all our employees at respective operational sites directly participate in the election of Council members from the labor side. Currently, there are three labor side members at the Council, and they engage in regular quarterly meetings with members from management side to discuss employees' working conditions, benefits, productivity, work engagement, organizational vitalization and promotion of communication.

Operation of Tongnamu as a Communication Channel

Celltrion is keenly aware that providing a pleasant working environment for employees to engage in their work is the ultimate way forward for both labor and management. With this recognition in mind, we have operated Tongnamu(communication tree), an anonymous communication channel, since August 2018, where employees can raise their grievances or opinions, and the CEO directly responds to them within two weeks. This helps us heed the voice of employees and ensures that no single employee is left outside the communication loop. Building labor relations through grievance handling serves as a positive factor when external stakeholders view Celltrion, and we vow to maintain solid labor relations and pursue further growth based on mutual trust.



[Tongnamu as a Communication Channel]

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Workplace Safety and Health

Workplace Safety and Health System

Safety and Health Management Policy

ESH Policy

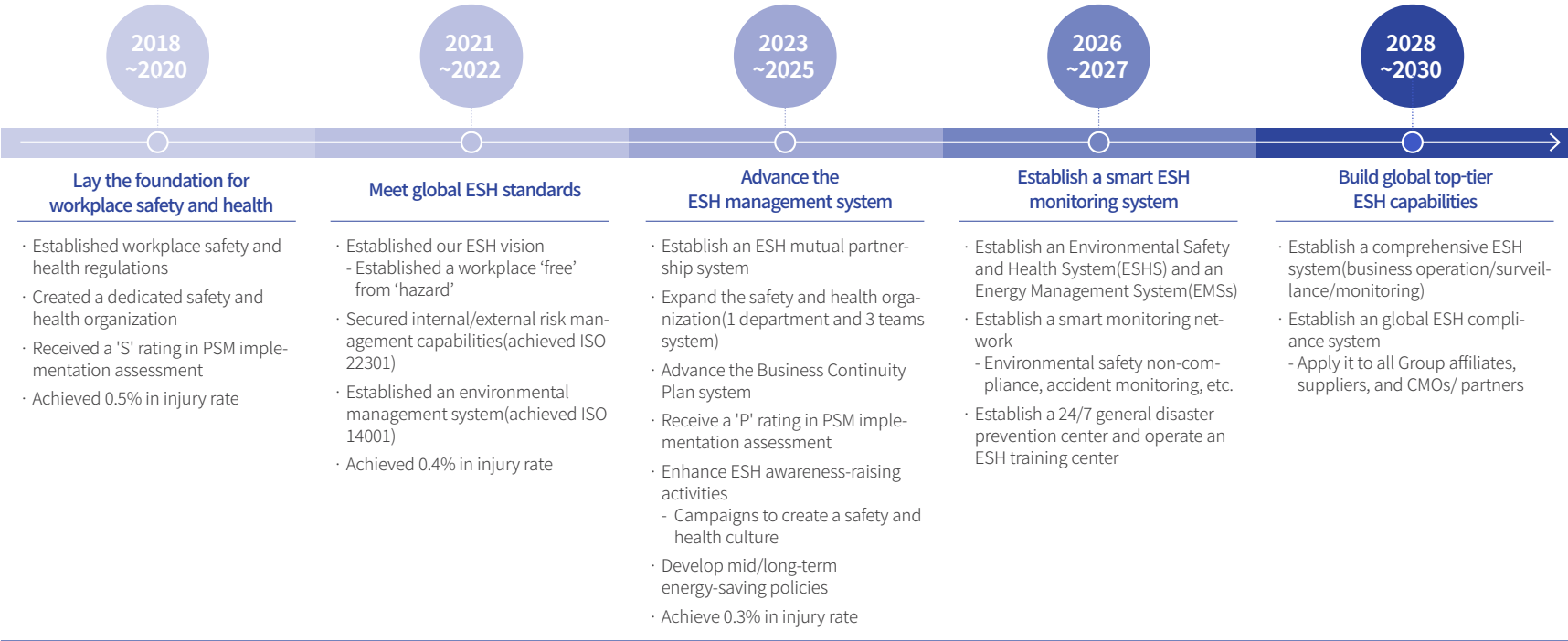
Celltrion complies with Environment, Safety, and Health(ESH) laws, regulations, and procedures while adopting internal management standards that exceed legal requirements to fulfill our ESH responsibility. Our ESH Policy aims to drive sustainable management in line with our ESH management guidelines alongside wide-ranging stakeholders including employees, customers, shareholders and investors, suppliers, and local communities.

Environment, Safety and Health(ESH) Policy

Celltrion’s ESH VISION

Driven by our ESH vision of building a hazard-free working environment, Celltrion commits to developing global top-tier ESH capabilities. We establish and implement our own mid/long-term ESH roadmap to ensure swift response to and build preparation for domestic environmental safety policies and global geopolitical issues. In 2023, we received the highest 'P' rating in the Process Safety Management(PSM) implementation assessment made by the Korean government under the supervision of the Ministry of Labor and Employment, gaining recognition for our top-tier workplace safety. We will continue advancing our workplace safety and health system to ultimately practice safety and health management.

Mid/long-term ESH Roadmap



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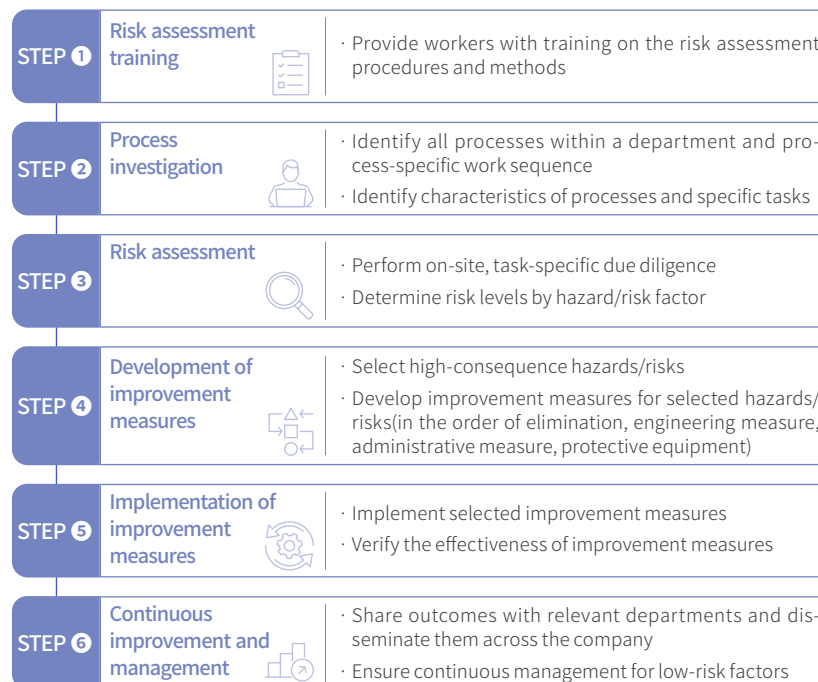
Health and Safety Risk Assessment

We preventively identify and mitigate hazards and risks across our entire workplace following the a six-step risk assessment process. This process starts with identifying all work processes in detail and conducting 4M risk assessments¹⁾ to perform risk assessment and pursue improvement for unacceptable risk factors.

In 2023, risk assessment was conducted on 3 divisions and 19 departments to identify nearly 856 work-related risks in 198 processes, and improvements were made for 54 tasks at relatively high risk. Risk assessment results are communicated to employees through various channels, including reporting to the Occupational Safety and Health Committee and the Board of Directors.

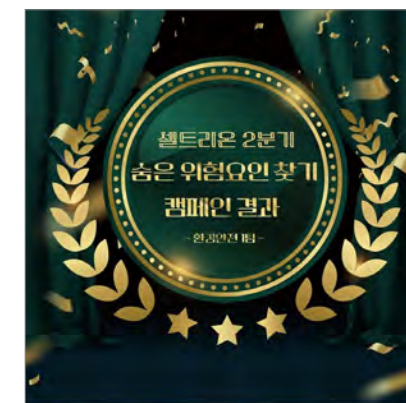
1) 4M(Machine, Media, Man, Management) risk assessment: Identify risks hidden in processes(tasks) in the four areas of Machine, Media (material, environmental), Man, and Management to present risk elimination measures

Safety and Health Risk Assessment Process



Safety and Health Communication

Employees' proactive participation is absolutely essential in driving safety and health management. Celltrion fully adopted a suggestion program in 2023 to encourage employees to take a greater interest in safety and health. Celltrion's Hidden Hazard Hunt campaign motivates employees to directly discover safety and health risks and report them quarterly. Once risks are reported, our safety and health organization takes action for all actionable ones in principle, and offers rewards depending on the outcomes of ideas submitted. In 2023, we implemented an in-house year-round proposal program and a quarterly regular proposal program to identify over 177 safety proposals, and took action for 170 necessary and actionable ones. Celltrion will continue to pursue improvements for process and workplace safety.



[Celltrion's Hidden Hazard Hunt Campaign]

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Workplace Safety and Health

Enhancing Safety and Health Capability

Regular Safety and Health Training

We provide a range of safety and health training for employees to safely perform their work. Regular online training is conducted on safety training content chosen to take into account department-specific operations and seasonal factors, along with distinction between office and non-office workers. We also meet statutory training requirements by providing training for new employees, training on changes in task description, special training, and statutory job training. In particular, workers subject to PSM(Process Safety Management) due to their exposure to high risk receive additional training on PSM guidelines, near misses, and accidents that occurred in the industry.

Safety and Health Training Provided

Topic	Target	Trainees	Format
Safety and health training	All employees	(Q1) 2,151 persons (Q2) 2,151 persons (Q3) 2,218 persons (Q4) 2,289 persons	Online
Safety and health training for new hires	New employees	204 persons	Online
Supervisor training	Supervisors	66 persons	On/Offline



[Safety and Health Training]

Safety and Health Drills

Celltrion has organized emergency response organizations at each plant to ensure prompt response to fires and other emergencies, and conducts regular emergency drills. All employees participate in enterprise emergency evacuation drills and emergency contact drills twice a year, and attend regular exercises on fire suppression, first aid, CPR, and the use of automated external defibrillators.

Fire Prevention Campaign

Celltrion launches fire prevention campaigns every year to disseminate a safety-first culture. In 2023, we distributed fire prevention supplies, including cell phone charging cables and cable organizers, along with their user manuals, and had these supplies engraved with the fire emergency number to facilitate reporting and swift initial response. The fire prevention quiz campaign also aimed to deepen employees' basic knowledge on fire safety. Promotional materials were produced and displayed, illustrating actual accidents from both inside and outside the company to raise employees' awareness of fire safety and heighten their alertness.

In recognition of our exceptional performance in fire prevention activities and firefighting facility management, we achieved 1st place in Incheon and 4th nationwide at the Fire Safety Management Competition held in 2023.



[Awarded at Fire Safety Management Competition]

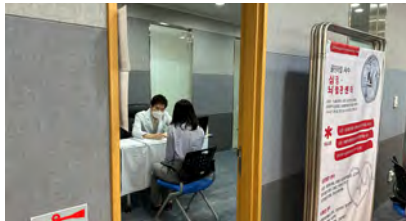
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Workplace Safety and Health

Enhancing Safety and Health Capability

Employee Health Management

We are committed to establishing a healthy workplace for employees through work environment measurement and health promotion activities. Employees aged 30 and older are eligible for comprehensive health checkups. Our in-house Health Management Center provides health counseling, first-aid care, vaccinations, and treatment for flu and other conditions. Additionally, we offer an body composition analyzer, blood pressure measuring equipment, and massage chairs to help employees manage their own health and stress. Presently, we provide programs to prevent musculoskeletal diseases, promote cardiovascular health, and improve daily routines through posture correction education, smoking cessation clinic operated in partnership with public health centers, and Healthy Walking Challenge while offering awards to employees with outstanding performance. We also provide a 1:1 psychological counseling program with the help of professional counselors along with job stress testing to promote employees' mental health. The excellence of our health promotion activities was recognized as we were honored with the Grand Prize at the Occupational Health Best Practice Presentation Contest held in 2023.



[Health Checkup]



[Healthy Walking Challenge]



[Smoking Cessation Clinic]



[Posture Correction]

Supplier Safety and Health Management

Celltrion participates in safety and health mutual partnership projects to support suppliers in improving their safety management performance. We create a supplier council and meet with them each month to help suppliers bolster their safety management, and perform joint inspections with the council each quarter to identify non-conformities and take corrective action. Our on-site suppliers receive annual qualification assessment, and outsourced suppliers are subject to pre-work assessment by Celltrion to ensure only those suppliers that satisfy the set criteria can perform the work.



[Awarded at Occupational Health Best Practices]

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Product Quality and Patient Safety

Product Quality

Quality Policy

Celltrion’s quality policy aims to achieve quality assurance that exceeds global GMP(Good Manufacturing Practice) regulations. This means we maintain exceptional quality for all manufactured products while consistently pursuing quality improvement in accordance with the current GMP regulations covering both the US and Europe. All employees receive regular training to understand the goal of our quality policy and the importance of product quality, and integrate the knowledge required into their day-to-day GMP operations.

Celltrion’s Quality Policy

First, all products manufactured by Celltrion, and the processes, procedures, analytical methods, and services employed by Celltrion should uphold high standards for quality assurance.

Second, Celltrion’s quality system should meet the quality requirements of global pharmaceutical regulatory authorities and the pharmaceutical industry as defined in global GMP regulations, and should be managed in conformity with the standards that are even more rigorous.

Third, Celltrion’s quality system puts quality goals above all other goals to deliver consistent product quality and manufacturing process assurance.

Quality Management System

Biopharmaceuticals require rigorous and stringent quality management throughout the process of development, production, storage, distribution, and sales. This underscores the importance of establishing an effective quality management system to assure that manufactured medicines deliver consistent quality and are safely administered to patients. To provide medicines with a high level of quality, efficacy, and safety, Celltrion has established our quality management system in full compliance with global GMP regulations and ISO standards.

We established a systemic quality management process throughout the entire process from product development to production and sales, and this serves to ensure the quality of medicines in conformity with GMP standards. We pursue continuous quality improvement on the back of our well-structured quality management system, and commit to producing high-quality medicines with guaranteed safety and delivering them to patients worldwide through our robust quality management system.

Quality Management Process



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A host of computer systems are deployed for the efficient operation of our quality system. Policy documents and SOPs required for GMP operations are made available to all operators in real time through our Electronic Document Management System(EDMS), and the Electronic Learning Management System(ELMS) helps us effectively provide training to employees. Key quality system procedures such as deviation/change management, Corrective and Preventive Action(CAPA), complaints, and supplier management are managed through our electronic Quality Management System(QMS), which improves the efficiency and effectiveness in managing our quality goals.

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Product Quality and Patient Safety

Quality Management Activity

Quality Training

We provide continuous and effective GMP training programs to keep all our employees involved in the pharmaceutical manufacturing process up to date with global GMP regulations and latest industry trends. This ensures that our employees develop an increased understanding of the goal of our quality policy and the importance of product quality and apply their learnings to their day-to-day GMP operations. In particular, employees performing tasks requiring specialized and sophisticated technology such as aseptic technology are provided with high-quality training in shopfloor practice training format, and qualification programs are operated to assess the effectiveness of training. We also operate our e-learning system through the ELMS to support employees to acquire knowledge required for their GMP operations and to ensure effectiveness of remote training.

Customer Inquiry Management and Response

We apply a validated system to manage the quality of marketed products, and manage information concerning product quality complaints in accordance with international regulations and guidelines. Country-specific quality complaints raised through various channels are forwarded to the Celltrion Quality Center. The product quality complaint handling process follows the cycle of identifying complaints, conducting root cause analysis, addressing identified causes, and notifying customers. Any issues in need of improvement are resolved swiftly by taking necessary action. We regularly monitor product quality complaints through trend analysis, and endeavor to prevent customer complaints and recurring claims.

Product Quality Complaints Handling Process

STEP 1	STEP 2	STEP 3	STEP 4
Identify complaints	Root cause analysis	Address causes	Notify customers
			

Achievements and Plans

Celltrion received over 50 inspections by regulatory authorities across nearly 20 countries, including the FDA(US), the EMA(Europe), the MFDS(Korea), the PMDA(Japan), and ANVISA(Brazil) from 2006 to 2023, and has demonstrated and improved the effectiveness of our quality management system. Over the past four years(2020~2023), we received a total of 26 inspections and audits by customers and regulatory authorities, which were all successfully completed without any critical findings. The ISO 9001(Quality Management System) renewal audits conducted in 2023 demonstrated yet again that Celltrion's quality management system spanning from product development to manufacturing was operated in full compliance with international standards. Going forward, we will progress towards our goal of quality improvement in line with the principles of our quality management system, ensuring medicines are delivered with guaranteed safety and efficacy through rigorous assurance to promote health and well-being for all.



[Achievement of Quality Management System Certification(ISO 9001)]



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- Evaluate clinical trial service providers
- Perform audits for clinical trial sites
- Perform internal audits
- Manage deviations in clinical trials
- Provide GCP training to Celltrion employees
- Manage change control of computerized system in clinical trials
- Review key documents in clinical trials
- Review bioanalytical assay validations/sample analysis plans/reports in clinical trials
- Review labels of investigational product for clinical trials

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Product Quality and Patient Safety

Clinical Trials

Quality Assurance for Clinical Trials

We have established the following procedures from the clinical operations perspective to ensure quality management in each phase of the clinical trial.

- Training for clinical research associates(CRAs)
- Investigation of non-compliance issues
- Preparation of clinical trials
- Management of external vendor
- Management of clinical trial sites
- Clinical trial document development/management
- Management of investigational products
- Risk-based monitoring
- Maintenance of blinding in clinical trials

As to clinical trials outsourced to CROs, we ensure rigorous management and oversight of the CRO's quality and safety systems in accordance with the aforementioned internal procedures.

Clinical Data Registration and Disclosure

Clinical trials are instrumental in demonstrating the safety and efficacy of pharmaceuticals. We ensure transparent management of all our clinical trial data to support objective and reliable medical decision-making. The information related to the clinical trials we conduct is registered on the clinical trial database operated by the National Institutes of Health in the US(ClinicalTrials.gov) and is made accessible for healthcare professionals, companies, governments and the wider public as well as patients. We keep disclosed information updated to ensure objectivity and transparency in conducting clinical trials. Once clinical trial outcomes are identified, we prepare reports describing clinical trial outcomes in accordance with the ICH guidelines and our internal procedures, and submit them to domestic and overseas regulatory authorities to ensure complete and systemic outcome reporting. We also publicly disclose clinical trial outcomes through conference presentations and papers to provide patients and healthcare professionals with sufficient information on our clinical trials.

Pharmacovigilance

Global Pharmacovigilance System

Celltrion performs pharmacovigilance throughout the life cycle of the medicines we provide to ensure their safe use and effective risk management. Celltrion has established a pharmacovigilance system through which all domestic and global Adverse Events(AEs) from the non-clinical and clinical phases to the post-marketing phases are collected, based on pharmacovigilance agreements with our business partners. In addition, Celltrion also gathers data from healthcare professionals, patients, regulatory authorities, and researchers, and monitors such data accordingly. The Celltrion Global Safety Database Center(CGSDC), established by Celltrion to enhance drug safety and staffed by healthcare professionals, enables us to collect, assess, and archive safety data. The accumulated data are subject to continuous monitoring and Celltrion continuously conducts signal detection and Periodic Benefit-Risk Evaluation Reporting(PBRER). Furthermore, we develop risk management plans to minimize any risk that may be caused by our products while taking relevant measures for healthcare professionals and patients, which include informing them of precautions for use and distributing information leaflets.

Pharmacovigilance Training

To ensure that safety information is collected without any omission throughout the entire work process, Celltrion provides enterprise pharmacovigilance training on a regular basis. This helps introduce the notion of pharmacovigilance and offers instructions on the actions employees should take upon recognizing safety information, enhancing the completeness of our safety information collection as a result.

Ethical Advertising and Marketing Policy

As a pharmaceutical company, we remain committed to engaging in responsible marketing in full compliance with domestic and overseas advertising and marketing laws and regulations, including Korea's Pharmaceutical Affairs Act, by providing customers with objective and reliable information on our products and services. To this end, we stipulated our Ethical Advertising and Marketing Policy, and conducted on/offline training on drug rebates and the preparation of their accounting reports for 73 personnel responsible for procurement and clinical trial operations in 2023.

Ethical Advertising and Marketing Policy 

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R&D Innovation

Expansion of Pharmaceutical Pipeline

Strategy to Expand Our Biosimilar Pipeline

Celltrion remains committed to developing biosimilars that deliver equivalent efficacy at lower prices compared to reference products, thereby improving the quality of life for patients. We are working on multiple prospects within our pipeline to cater to the varying needs of patients in a given disease category depending on their treatment phases and conditions. We are developing autoimmune disease therapeutics as well as cancer immunotherapy drawing on our track record in developing early interventions for autoimmune disease and targeted anti-cancer therapy. For immuno-oncology, we are establishing a product development strategy to time product releases to patent expiry in consideration of the rapidly booming cancer immunotherapy market covering immune checkpoint inhibitors and immune cell therapies. Our candidate products in ophthalmology, allergy and other therapeutic areas are in the final stages of development, with market introduction anticipated in 2024.

Our goal is to fully develop a total of 22 biosimilars by 2030, including six products we have developed to date, and we will keep close tabs on the medical landscape and market conditions to deliver differentiated, patient-centric biosimilars.

Strategy to Expand Novel Drug Pipeline

Celltrion R&D is expanding capability of novel drug development in the field of ADCs(Antibody Drug Conjugate), bispecific and trispecific antibodies, new therapeutic antibodies and microbiome. We have teamed up with Abpro for joint bispecific antibody research, and efficacy and toxicity studies are currently underway on animals with a goal of initiating clinical trials in 2025. We are also conducting joint research on trispecific antibody treatments in partnership with Cyron Therapeutics, and are in the process of selecting drug candidates that are exceptional in efficacy and safety compared to products currently available on the market. Regarding ADCs, we are evaluating the efficacy and toxicity of 6 solid tumor treatment candidates within our pipeline, and these prospects are expected to start clinical trials in the first half of 2025.

In developing microbiome therapeutics, we are conducting joint research projects with multiple partners on such indications as multi-drug resistant infections, irritable bowel syndrome, atopic dermatitis, and Parkinson's disease, and all of which are in the non-clinical phase. By investing actively in drug development as well as in biosimilars, we will step up our efforts to broaden the scope of therapeutics and treatment opportunities for the benefit of patients.

Biosimilar Pipeline

Category	INN ¹⁾	Indication	Research	Non-clinical	Phase 1	Phase 3	BLA/MAA ²⁾
CT-P39	Omalizumab	Asthma, rash					
CT-P41	Denosumab	Osteoporosis					
CT-P42	Aflibercept	Diabetic Macular Edema					
CT-P43	Ustekinumab	Psoriasis, Crohn's disease					
CT-P47	Tocilizumab	Rheumatthritis					
CT-P53	Ocrelizumab	Multiple sclerosis					
CT-P55	Secukinumab	Psoriasis, Ankylosing spondylitis					

1) INN: International Nonproprietary Names

2) BLA(Biologics License Application), MAA(Marketing Authorisation Application)

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R&D Innovation

Development of New Formulation(Zymfentra)

Zymfentra

In October 2023, Zymfentra, the world's first subcutaneous formulation of Remsima, was approved as a bio-innovator by the US FDA. Zymfentra enables the self-injection of infliximab, the active ingredient of Remsima, instead of intravenous administration. This means that patients can conveniently auto-inject the drug at home as specified in their prescription, hugely contributing to the convenience of treatment and the improved quality of life for patients.

Considering that Infliximab has been proven for efficacy and safety for over two decades and is widely trusted among patients administering it, this new formulation is expected to bring positive impact to our sales in the upcoming years. The FDA approval was granted in just 10 months following the submission of the BLA, once again demonstrating the excellence of Celltrion's R&D capabilities.

Overview of FDA Approval for Zymfentra

Item	Detail
Date of Application	December 2022
Date of Approval	October 2023
Type of Approval	Section 351(a)- novel drug
Brand Name	Zymfentra
Indication	Ulcerative colitis(UC), Crohn's disease(CD)
Route of Administration	Subcutaneous injection(SC)
Dosage(Device)	120 mg/mL(Pen, Syringe)



[Zymfentra]



[Zymfentra Approval Ceremony]

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R&D Innovation

Expansion of Business Portfolio

On the strength of our know-how accumulated over the years, Celltrion is actively investing in the development of next-generation platforms to expand our business portfolio. Our R&D focuses efforts on a wide range of areas from ADCs to develop biobetters for clinically promising targets to bispecific/trispecific antibodies and new therapeutic antibodies that have the potential to generate synergy with our pipeline, and new modalities to provide wider treatment options. We will continuously bolster our internal R&D capabilities and seek out new technology to ultimately diversify our business portfolio.

Expanding Global Joint Development and Open Innovation

Networking with various biopharmaceutical companies, universities, and research institutes, Celltrion is pursuing joint development of novel drugs while bolstering open innovation for greater partnership opportunities. In September 2022, we entered into a collaboration agreement with Abpro, a US-based bio company, to jointly develop and commercialize ABP102, a bispecific antibody-based anti-cancer drug candidate, and made an equity investment to forge long-term partnerships. In addition, joint research is underway with MVP(Multiverse Pharma) on bispecific and polyspecific antibody platform technology. Building on our joint development experience with Abpro and MVP, we are engaging in R&D efforts on our own bispecific and polyspecific antibody candidates newly included in our pipeline.

To internalize the capabilities of ADC(Antibody-Drug Conjugate) development, we signed joint research agreements with Pinotbio and other biopharmaceutical companies in Korea and are actively engaging in relevant research efforts. For ADCs, we secured our own pipeline candidates with ongoing R&D efforts, with a goal of initiating clinical trials in 2025. We also invested USD 47 million in Iksuda Therapeutics in 2021 in conjunction with Mirae Asset Financial Group to become the largest shareholder of the UK-based ADC developer.



Case. Development of Microbiome Therapeutics

Since the world's first microbiome-based therapy was approved by the US FDA, there are growing expectations for the therapeutic effectiveness and market growth potential of microbiome therapeutics. Against this backdrop, Celltrion is developing microbiome-based Live Biotherapeutic Products(LBP) by prioritizing diseases with high unmet medical needs. We are working on treatments for irritable bowel syndrome and atopic dermatitis in partnership with KoBioLabs, and are developing treatments for Parkinson's disease, a degenerative neurological disease, with LIScure Biosciences. To keep expanding our microbiome pipeline, we have teamed up with BioMe to explore treatments for antibiotic-resistant bacterial infections. Going forward, we will pursue open innovation with biotech, a company recognized for its technology, to further broaden our pipeline with novel drug candidates.

Global Joint Developments

Areas	Partners	Status		
		Targets	Phase	Model
Bispecific Antibody	abpro	Breast cancer, gastric cancer	R&D	Equity investment/License-in
	MULTIVERSE PHARMA	Bispecific/polyspecific antibody platform technology	R&D	Joint development
New Therapeutic Antibody	GENUV	New therapeutic antibodies	R&D	Joint development
Antibody-Drug Conjugate	IKSUDA THERAPEUTICS	B-cell lymphoma, breast cancer, and others	Phase 1	Equity investment
	PINOTBIO	Solid tumor	R&D	Equity investment/License-in
Microbiome	KOBIOLABS	Irritable bowel syndrome, atopic dermatitis	R&D	Joint development
	LISCURE	Parkinson's disease	R&D	Joint development
	BioMe	Antibiotic-resistant bacterial infection	R&D	Joint development
Oncolytic Virus	GRIMM MEDICINE	Oncolytic virus platform	R&D	Joint development
Biomarker	BOESGENBIO	Genomic biomarker discovery via AI	R&D	Joint development

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R&D Innovation

Expansion of R&D Infrastructure

Completion of Celltrion Global R&D Center Construction

As an integrated pharmaceutical company, Celltrion is committed to making extensive R&D investments in developing biosimilars and novel drugs and expanding our pipeline. To further buttress our R&D capabilities as a key determinant of our future growth, we decided to create the Celltrion Global R&D Center within our research site located in Songdo, Incheon, where we are headquartered. This Center was granted a building occupancy permit in January 2023, and the Biotechnological Research Division, the New Drug Research Division, and the Global Product Development Division fully moved in as of June 2023. Constructed on a land of 10,033㎡ with one underground floor and six above-ground floors, this facility aims to provide the optimal environment for Celltrion's bioengineering research to generate synergy across the board from biopharmaceuticals to small molecules. As part of such efforts, we actively cater to the needs of our research workforce, and expand both equipment and personnel to continuously bolster our R&D capabilities. In addition to our priority development areas of biopharmaceuticals and small molecules, the Center will enable research in such emerging areas as ADC(Antibody Drug Conjugates), bispecific/trispecific antibodies, new therapeutic antibodies, and microbiome to broaden our portfolio even further. Paving the way for integrated pharmaceutical research and development, the Celltrion Global R&D Center is set to take our R&D capabilities to a new level and cement its position as a total healthcare research institute.



[Celltrion Global R&D Center]

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Improving Access to Healthcare

Improving Access to Healthcare through Business Operations

Expansion of Biosimilar Production

While we expand biopharmaceutical production capacity with our own production plants in Korea, we also leverage the production capacity of CMOs located overseas to maximize our biopharmaceutical production capacity. Our biopharmaceutical production plant in Songdo, Incheon, was certified to the cGMP(current Good Manufacturing Practice) standards of the US FDA, and is fully capable of producing from drug substances to drug products. The production capacity of each plant is 102,000L for Plant 1, 90,000L for Plant 2, and 60,000L for Plant 3. Plant 3, constructed on a land of 68,900m² as a five-story facility along with the existing Plant 2, was granted an occupancy permit in November 2023 and is readying itself for inaugural production in December 2024. Plant 3 houses eight 7,500L incubators and other cutting-edge equipment to flexibly respond to the production needs of biopharmaceuticals. It ensures efficient product changeover to accommodate multi-variety production, adapting to the specific production and response requirements of different products. With the completion of Plant 3, our annual bio-pharmaceutical production capacity has reached 252,000L in total. Going forward, we will continue to expand our plants and secure production capacity in preparation for upcoming increases in demand for pharmaceuticals.

Total production capacity

252,000L

· 12,500L × 8 units

· 1,000L × 2 units(SUP)

Plant 1(102,000L)

· 15,000L × 6 units

Plant 2(90,000L) Expansion

· 7,500L × 8 units

Plant 3(60,000L) Expansion

252,000L

192,000L

102,000L

Improving Access to Healthcare

Expanding the Delivery of Medicines

Overview of Our Biopharmaceutical Approvals

(As of the end of December 2023)

	Biosimilars						New Biologics	
Category								
Project	CT-P6	CT-P10	CT-P13	CT-P13 SC	CT-P16	CT-P17	CT-P13 SC	CT-P59
Product Name	Herzuma	Truxima	Remsima	Remsima SC	Vegzelma	Yuflyma	Zymfentra	Regkirona
INN ¹⁾	Trastuzumab	Rituximab	Infliximab	Infliximab	Bevacizumab	Adalimumab	Infliximab	Regdanvimab
Key Indications	Breast cancer, Gastric cancer	Non-Hodgkin's lymphoma, Rheumatoid arthritis	Rheumatoid arthritis, Inflammatory bowel disease	Rheumatoid arthritis, Inflammatory bowel disease	Metastatic colorectal cancer, Breast cancer, Non-small cell lung cancer	Rheumatoid arthritis, Inflammatory bowel disease	Inflammatory bowel disease	COVID-19
Areas	Oncology	Oncology, Immunology	Immunology	Immunology	Oncology	Immunology	Immunology	Infectious diseases
Major Approved Countries	US, Europe, Korea	US, Europe, Korea	US, Europe, Korea	Europe, Korea	US, Europe, Korea	Europe, Korea	US	Europe, Korea
Sales in Priority Countries ²⁾	35 countries							
Total Number of Sales Countries	105 countries							

1) INN: International Nonproprietary Names
2) Priority country: Based on countries that should be prioritized in terms of access to healthcare as defined by the Access to Medicine Index

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Improving Access to Healthcare

Access to Pharmaceuticals Policy

Celltrion has established a policy to improve access to biopharmaceuticals, aiming to fulfill our mission of improving global health and welfare through the development of next-generation biopharmaceuticals. This policy is based on several key principles: developing innovative products that enhance access to biopharmaceuticals; collaborating with local regulatory authorities; supporting local post-marketing ; assisting local manufacturers and healthcare workers; providing financial support for the procurement of biopharmaceuticals to individuals in needs; participating in healthcare aid initiatives in least developed countries(LDCs); and prioritize access to biopharmaceuticals in LDCs and low-income countries when filing patent applications. To ensure improvements in access to biopharmaceuticals, Celltrion encourages all stakeholders, including our headquarters, domestic and international subsidiaries, and suppliers, to adhere to this policy.

Access to Medicines Policy

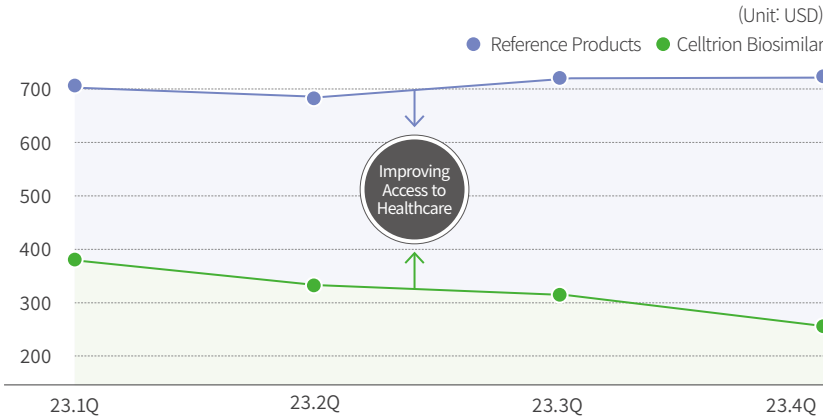
Drug Pricing

Celltrion pursues reasonable and sustainable pricing to improve access to biopharmaceuticals. We prioritize minimizing the price burden of biopharmaceuticals to allow more patients to benefit from treatments. By continuously enhancing our resource management and supply efficiency, we reduce development cost of biosimilars and reflect these savings in our product pricing strategy. Annually, we conduct cost-effectiveness evaluations to understand the health insurance savings our products provide, ensuring our biosimilars are priced responsibly. Additionally, we strive to reduce disparities in reimbursement eligibility and benefits caused by varying national capacities to pay for the biopharmaceuticals. To this end, we implement differential and equitable pricing across different countries and partner with governments and other key stakeholders to improve access to pharmaceuticals for individuals in needs. Specifically, we engage in various international procurement projects to supply the essential treatments at low prices, thereby increasing access in low-income countries.

Advanced Therapeutics within Everyone’s Reach

Celltrion is a market leader in biosimilar research, manufacturing and commercialization. These drugs are inherently more cost-effective than their reference biologics, with the primary goal of improving patient access to essential pharmaceuticals. Biosimilars offer the same efficacy as high-priced original biologics but at more affordable prices, allowing more patients to benefit from these treatments.

Price Trend of Celltrion’s Biosimilars Compared to Reference Products¹⁾



1) Based on WAC prices in the US, simple arithmetic average trends are shown for the prices of Inflectra, Truxima, and Herxuma compared to corresponding reference products

Results of the 2023 Pharmacoeconomic Evaluations of Biopharmaceuticals

Item	Percentage
Percentage of biopharmaceutical products which underwent pharmacoeconomic evaluations	87.5%
The revenue share of biopharmaceutical products that underwent pharmacoeconomic evaluation	46.0%
The revenue share of biopharmaceutical products identified as more cost saving than standard treatment	99.9%
The revenue share of biopharmaceutical products identified as more cost effective than competing innovative products	17.8%

APPENDIX

The UNOPS serves as the UN's operational secretariat, and implements large-scale procurement projects with countries around the world. Celltrion entered into a long-term supply agreement with the UNOPS in 2022, and was approved to supply our products to Myanmar and Cambodia. In 2023, we provided nearly 3 million tablets of CT-G07 to Cambodia. By becoming a successful bidder for the UN agency, known for selecting suppliers based on the lowest price criterion, Celltrion demonstrated our price competitiveness as well.

Category	International Organization	Product	Indication	Country
Small Molecules	Global Fund	CT-G02	HIV/AIDS	15 countries(Gambia, Mozambique, Madagascar, Pakistan, Guinea, etc.)
		CT-G07	HIV/AIDS	20 countries(Liberia, Togo, Cote d'Ivoire, Cameroon, etc.)
	UNDP	CT-G02	HIV/AIDS	4 countries(Angola, Sudan, Djibouti, Tajikistan)
	UNOPS	CT-G07	HIV/AIDS	1 country(Cambodia)
	USAID	CT-G07	HIV/AIDS	2 countries(South Africa, Dubai)
Biopharmaceuticals	UNDP	CT-P10	Non-Hodgkin lymphoma, Chronic lymphocytic leukemia	1 country(Turkmenistan)
		CT-P16	Metastatic colorectal cancer, Non-small cell lung cancer	1 country(Turkmenistan)

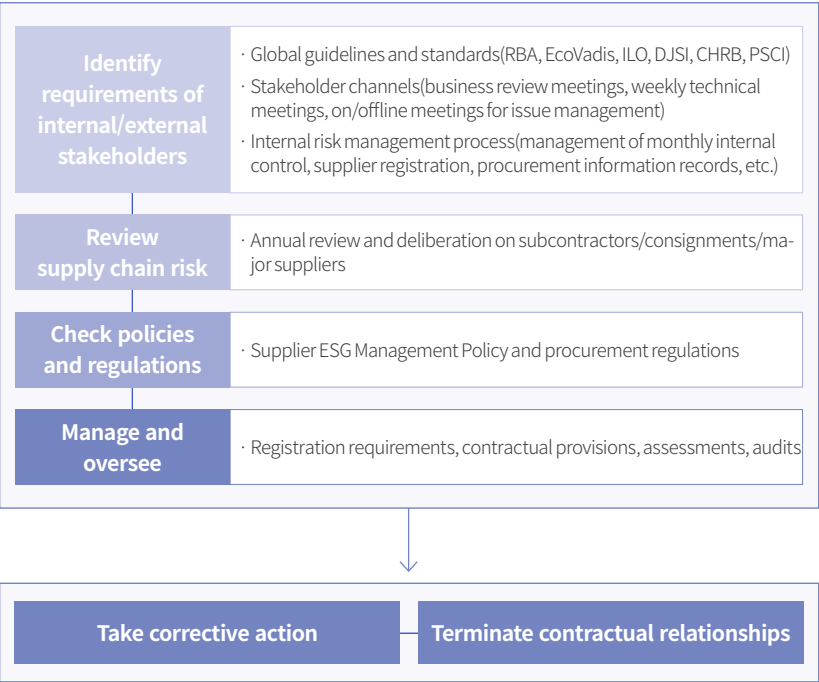
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Supply Chain ESG Management

Supply Chain ESG Risk Management

By gathering diverse supply chain requirements from internal/external stakeholders, we established our systemic Supplier ESG Management Policy and audit procedures. We also implement supply chain diversification strategies for key raw/subsidiary materials to brace for potential supply chain risk that may arise in our business operations. As part of such strategies, we pursue both localization and dualization of key raw/subsidiary materials, and this helps us reduce our reliance on a single supplier and ensure reliability in the supply of raw/subsidiary materials.

Supply Chain Management Process



Supplier Quality Management Process

We perform regular quality audits on respective suppliers at different intervals(every 1-4 years)¹⁾ to ensure our suppliers stay compliant with cGMP(current Good Manufacturing Practice) standards. Regular quality audits are conducted to identify areas in need of improvement with regards to facility, raw material management, and quality system, and findings are shared within one month. This is followed by prompt exchange of feedback on improvement measures and others to maintain consistent product quality.

1) Commercial CMO(every year), Key raw/subsidiary materials(every 3 years), Raw materials and other services(every 4 years)

Expanding Our Global Supply Chains

We review and manage external impact factors on an ongoing basis to ensure the sustained, reliable supply of biopharmaceuticals and small molecules. For surface-level impact factors, we identify risks and constantly review their impact. As part of such efforts, we hold regular meetings with key raw/subsidiary material suppliers to monitor risk situations of global sourcing and engage in regular risk reviews on materials, ingredients and facilities among others.

During the COVID-19 pandemic, we provided our suppliers with regular updates on our contingency plan to handle procurement situations and supply risks to ensure reliable supply while establishing a joint risk management system and building a safety inventory for raw/subsidiary materials. We also proactively respond to potential risks. In line with the mounting importance of green procurement, we introduced green-certified materials(PEFC or FSC) for the secondary packaging of biopharmaceuticals(blister, carton box, etc.) through consultation with suppliers. Participating in the Korean government's project to boost the competitiveness of bio materials/parts/equipment as a company in demand of localization, we contribute to the successful implementation of government policies.

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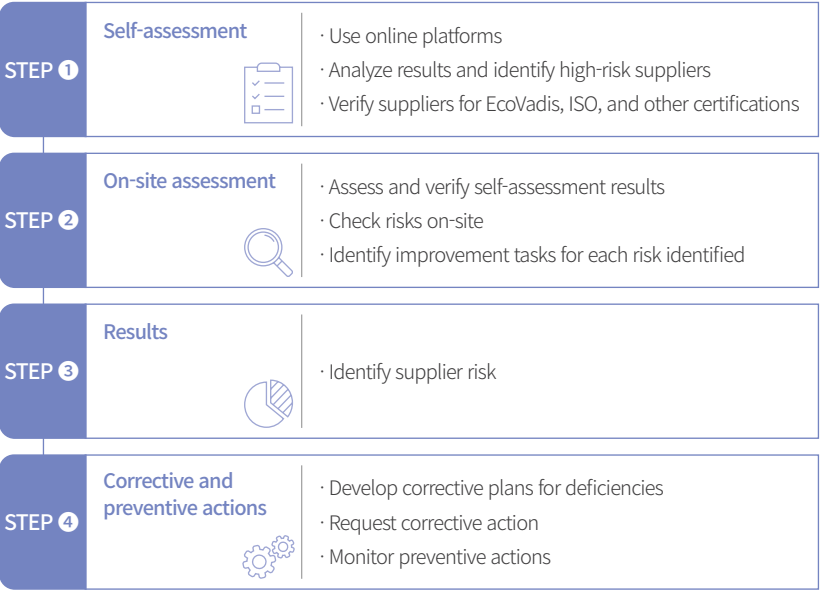
Supply Chain ESG Management

Supplier ESG Assessment

Supplier ESG Assessment System

To maintain long-term, constructive supplier relationships, we introduced and operate a supplier ESG assessment system. Supplier ESG assessment is made in line with the metrics set across the five areas of labor & human rights, safety & health, environment, ethics, and management system. These assessments allow us to evaluate supplier ESG risk and support improvement activities. Assessment results guide our decision to award additional points to top-performers in future biddings. When risk is identified, we categorize suppliers as low-risk or high-risk and develop and manage corrective action plans. We also established an ESG self-assessment system for new suppliers and apply this system in registering new suppliers. The final registration assessment is performed on new suppliers in line with the metrics defined in five areas just as the existing supplier ESG assessment system.

Supplier ESG Assessment Process



Supplier ESG Assessment Metrics

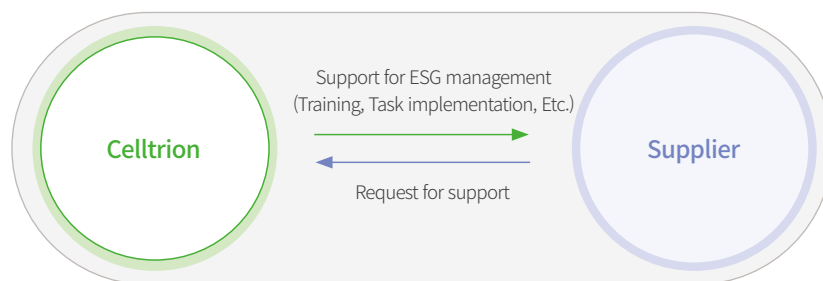
Category	Metric	
Labor & human rights	· General · Voluntary work · Underage workers · Working hours	· Humane treatment · Wages and benefits · Non-discrimination · Freedom of association
Safety & health	· OHS system and training · Occupational safety · Emergency response · Occupational injuries	· Occupational hygiene · Physical labor · Mechanical facility safety maintenance · Food, sanitation and housing
Environment	· General · Environment-related licenses and reporting · Reduction of pollutants · Hazardous substances management	· Waste management · Air pollutants · Water resources management · Energy and GHG emissions
Ethics	· General · Anti-corruption and prevention of conflict of interest · Prevention of unfair trade practices · Protection of intellectual property	· Responsible sourcing of materials · Personal Information Protection · Others(minimization of animal testing, etc.)
Management system	· Executive engagement · Performance management · Supplier relationship management · CSR	

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Supply Chain ESG Management

Supporting Suppliers with ESG Improvement

Celltrion engages in interactive support activities with suppliers to advance ESG management. In December 2023, we provided 12 major suppliers with environmental training on Scope 3 GHG emissions and other topics to raise their awareness of environmental issues and pave the way for sustainable management. Two of our suppliers subject to on-site assessment developed ESG improvement tasks themselves while taking into account their own business conditions, and we provided best practices for their task implementation. We will follow up on this with continuous monitoring of the progress made on task implementation.



ESG Environmental Training Provided to Major Suppliers in 2023



Supplier ESG Management Roadmap

We established a systemic roadmap to advance supplier ESG management. This essentially aims to strengthen our ESG support for suppliers, introduce effective supplier assessment methodologies, and internalize supplier management capabilities over the mid-to-long term. This roadmap will drive our efforts to actively assist suppliers with ESG management and build capabilities to preemptively respond to supply chain ESG regulations.

Supplier ESG Management Roadmap

	Short-term(2024-2025)	Mid/long-term(2026-2030)
Increased support for suppliers	Domestic-centered - Support domestic suppliers to establish their ESG management system - Collaborate with the Korean offices of global suppliers for ESG initiatives	Overseas expansion Develop measures for substantial review and monitoring of global suppliers located overseas
	Quantitative expansion - Extend the scope of suppliers subject to assessment - Streamline the metrics for self-assessment - Provide on-site assessment guides	Qualitative improvement - Pursue overseas on-site assessment - Expand industry-specific metrics including the PSCI - Ensure comparability between internal ESG assessment results and external assessment results
Effective supplier assessment	Establish a management system - Manage ESG managers at respective suppliers - Reflect suppliers' ESG performance in making procurement decisions	Response to regulations and improve effectiveness - Pursue assessment with overseas on-site verification companies - Respond to the CSDDD¹⁾ over the mid-to-long term and establish a supplier management roadmap
Capability internalization at Celltrion		

1) The Corporate Sustainability Due Diligence Directive

※ The supplier ESG management roadmap may change depending on changes in the external environment

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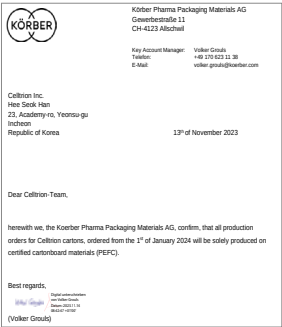
Supply Chain ESG Management

Supply Chain ESG Management Activity

Case 1

Adopting Eco-friendly Materials

In line with the growing importance of eco-friendly procurement, Celltrion remains committed to sourcing green materials for the secondary packaging of biopharmaceuticals. Our procurement and operation departments attended domestic and overseas exhibitions to procure vendors supplying eco-friendly secondary packaging materials and participated in the eco-friendly material seminars hosted by our suppliers to enhance their understanding on the importance and possible applications of green materials. Building on such continued efforts, we adopted green-certified(PEFC, FSC) products for key secondary packaging materials in 2023 and will extend the scope of introducing such eco-friendly materials in 2024.



[Green Statement]



[Green Material]



[Green Seminar]

Case 2

Localizing and Dualizing Single-use Bags

In 2023, we reached a significant milestone in the localization and dualization of the single-use bags that we use(sampling bags, buffer storage bags, etc.). We successfully localized and dualized seven types of single-use bags consumed for research purposes, and are working to pursue localization and dualization for eight types of single-use bags that go into our production process. Going forward, we will commit to localizing and dualizing raw/subsidiary materials, and continue to ensure greater reliability in the supply of these materials.



[Localized Single-use Bag(sampling bag)]

Case 3

Establishment for Business Continuity Plan

In 2023, we met with our major global suppliers to review and share our business continuity plan to identify our emergency plan operation system as well as countermeasures for respective risk scenarios. These supplier meetings will form the basis of our efforts to benchmark advanced contingency planning of our global suppliers and to develop systemic supply chain contingency plans to prepare for internal/external risks.

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Corporate Social Responsibility

Corporate Social Responsibility System

In our journey towards the ‘Vision 2030’ to pursue shared growth and mutual partnership with the communities where we operate, Celltrion vows to create a virtuous, self-reinforcing cycle to establish the nation’s bioindustry ecosystem and support local communities.

Corporate Social Responsibility Strategy



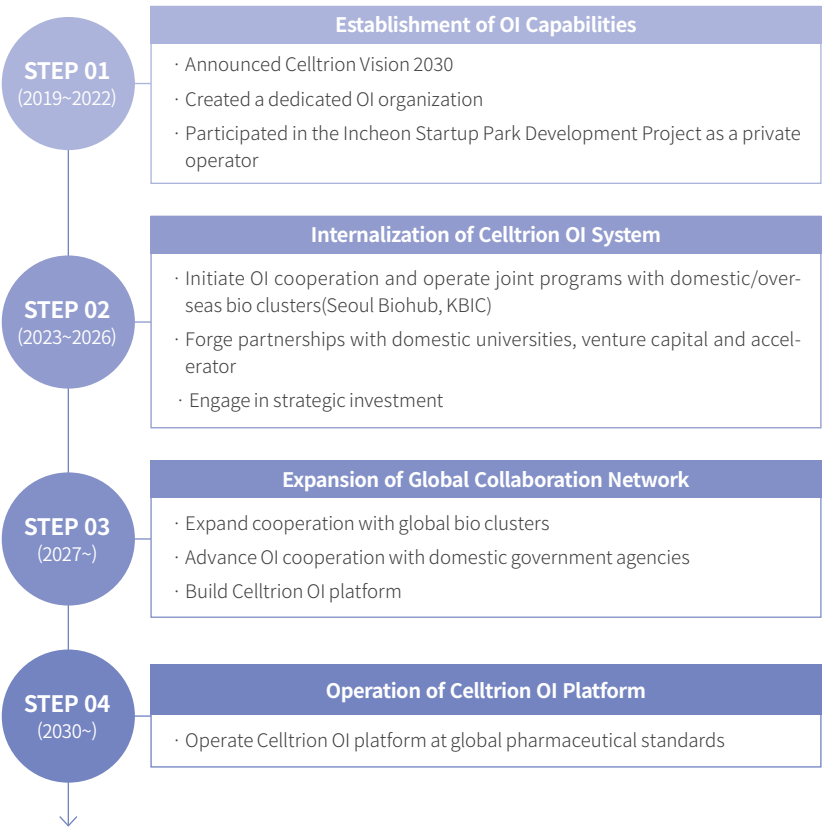
* Including bio clusters, university/industry-academia cooperation groups, and AC/VC

Creating a Bioindustry Ecosystem

Open Innovation(OI)

We continue to progress towards the mid/Long-term target defined under our Vision 2030 to operate open innovation platforms on par with global pharmaceutical companies. We set phased targets to review the progress made in our pursuit of open innovation.

Mid/long-term Open Innovation Roadmap



Corporate Social Responsibility

Open Innovation Activities

MOU to Establish a Biohub

We have jointly operated the Shinhan Square Bridge Incheon with Shinhan Financial Group since 2020, and signed an MOU(Memorandum of Understanding) to participate as an anchor company in the development of the K-Bio Lab Hub set to open in Songdo, Incheon, in 2026. We also inked an MOU with Seoul Biohub to nurture promising bio startups in Korea and jointly operate the ‘Seoul Biohub-Celltrion Open Innovation Program’. As part of our open innovation strategy, we will bolster partnerships with Korea’s bio clusters from 2024 onwards. We aim to strengthen our open innovation programs with Seoul Biohub and Incheon Startup Park to keep close tabs on potential open innovation projects with domestic startups and enter into contracts for Confidential Disclosure Agreement, Material Transfer Agreement, and joint research to pursue collaboration.

MOU Ceremony of K-Bio Lab Hub



Partnership with Global Bio Clusters

Celltrion will diversify our network by working with global bio clusters and cooperation partners as well as Korean businesses. This will lay a solid basis for the Korean bioindustry to go global and fully assist startups that Celltrion nurtures in tapping into overseas markets. As part of such efforts, we networked with the Kobe Biomedical Innovation Cluster(K-BIC) as the first in Korea to do so in 2023. Joining the Kansai Life Science Accelerator Program(KLSAP) as a member alongside the KBIC, we will gradually expand open innovation with KBIC’s startups while assisting Korean startups in tapping into the global market. Blazing a trail in forging partnerships between the Korean bio industry and global bio clusters, Celltrion will do our utmost to create momentum for the bioindustry as a member of the community.

Seoul Biohub-Celltrion Open Innovation Program



APPENDIX

Open Innovation Activities

Cyron Therapeutics

CYRON THERAPEUTICS

Such research is justified by unmet medical needs and high market potential, and targets broader therapeutic areas of solid tumor as well as blood cancer to help improve access to healthcare for patients. Joint research will support Cyron Therapeutics in receiving specialized resources and research funding, spanning experience, information, and networking for development as well as technology to accelerate its growth. This also benefits Celltrion as we secure exclusive rights for early-phase patents of the polyspecific antibodies discovered as such to strengthen our internal capabilities and build a novel drug pipeline with reduced time and costs compared to in-house development.

Pinotbio



Celltrion participated in the procurement-aligned task of the 2023 Commercialization Technology Development Project led by the Ministry of SMEs and Startups in partnership with Pinotbio, a biotech startup specializing in ADC(Antibody Drug Conjugate) platforms, and entered into an ADC platform technology purchase agreement. This allows Celltrion to employ PINOT-ADCTM, Pinotbio's ADC linker payload platform, for up to 15 targets, and we will put this technology to use in developing ADC drugs for solid tumor. Pinotbio conducts research and development with the help of government task grants, and Celltrion will secure rights for the technology once it is successfully developed. Both companies will engage in close information exchange during the development process to share the latest pharmaceutical technology and trends while bolstering development capability and expertise. Our partnership with Pinotbio will also help us accelerate technology and product development while lowering costs compared to in-house development.

HEM Pharma



Making strategic investment in partnership with HEM Pharma, a startup with expertise on healthcare/novel drug development platforms, Celltrion is pursuing joint research on LBP(Live Biotherapeutic Product) treatments and collaboration on microbiome data analytics. Our open innovation initiative with HEM Pharma will enable us to identify the mode of action(MoA) in LBP prospects under development, and produce investigational products for clinical trials at costs one third of overseas production costs.

This strategic partnership will give HEM Pharma access to Celltrion's accumulated expertise, networking, and funding to seek more efficient growth. Celltrion will also benefit from accelerated technology and product development and reduced costs while sharing information on future component technology to enhance our internal R&D capabilities.

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Corporate Social Responsibility

Support for Local Communities

Support Programs for Underprivileged

To help eliminate areas that go unnoticed in the welfare system, we provide underprivileged groups with food, daily necessities, and medical expense support. We donated food supplies, including rice, instant noodles, canned tuna, and convenience soups to individuals receiving welfare support, single-parent families, multicultural families, and low-income families in Incheon and Chungcheongbuk-do, and provided tailor-made support for each family, ranging from essential home appliances, baby formula, diaper, and housing deposits, to render our assistance projects more effective. In 2023, our food supplies reached 1,071 households and our donation of daily necessities benefited 234 households, along with KRW 1 million of living expense support for each of the nine households whose couple got married early or were not married under the care of the National Probation Service. We also helped pay for medical expenses: 29 patients in need of surgery or urgent treatment who come from low-income families or face financial difficulties in Incheon and Chungcheongbuk-do were provided with up to KRW 3 million per person to pay for their test, surgery, and other medical expenses, improving access to healthcare for these underprivileged individuals.

Support for Welfare Facilities and Public Interest Organizations

We make food donations each month to the Food Bank in Incheon, help soup kitchens pay for food and utility bills, and donate child diapers and winter blankets to orphanages and children welfare facilities. We also donated CPR experience equipment valued at KRW 22 million to three subway stations in the vicinity of our operations – Campus Town Station, Technopark Station, and Incheon National University Station, ever expanding the boundary of our support projects.



[Free Food Services]



[Food Bank in Incheon]

Employee Volunteering

We hosted seasonal donation events for selected low-income families who often lack much-needed support – seniors living alone, single-parent families, and teenage breadwinners. Whenever the need arises for the warmth of family care each season – New Year, Family Month, Korean Thanksgiving, and Christmas, our employees volunteer to wrap gifts and donate them to those in need. We also donate diesel oil and kimchi to low-income families who find it difficult to heat their homes during winter or make kimchi themselves by way of third-party companies, further expanding our volunteer initiatives for underprivileged groups in society.



[2023 Celltrion's Christmas Donation]



[2023 Celltrion's Korean Thanksgiving Day Donation]

Scholarships for Youth

Celltrion offers 'pocket money' scholarships to teenagers from low-income families attending middle and high schools in Incheon and Chungcheongbuk-do. In 2023, a total of 2,659 teens were chosen from 415 schools - 1,745 middle school and 914 high school students – and they were provided with the monthly pocket money of KRW 30,000 for middle schoolers and KRW 50,000 for high schoolers for 12 months. Besides, undergraduates who are under the care of the National Probation Service were offered KRW 100,000 to pay for monthly living expenses for 10 months while undergraduates from low-income families at Incheon National University received up to KRW 1 million for living expenses – KRW 500,000 per semester. Our individual scholarship support program matches teens with outstanding academic achievement with our employees, and the number of its beneficiaries is on the rise each year with our efforts to constantly expand such scholarship programs.

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Shareholders

Shareholder-friendly Management

Dividend Policy

Celltrion pursued the merger this year as an important milestone in our growth pathway towards a leading global pharmaceutical company by integrating all its research, production, and sales functions. The merger between Celltrion and Celltrion Healthcare will surely boost the growth of Celltrion as One Company, and the broadened base for sales and profit will allow us to gradually implement a shareholder-friendly dividend policy.

Taking into account the distinctive characteristics of our business which requires immense R&D investments, dividends will be paid out of the pool of financial resources that exclude product development and facility investment expenses from EBITDA(Earnings Before Interests, Taxes, Depreciation and Amortization). While we pay cash dividends within the range of 9~16% of the dividendable profit calculated by subtracting CAPEX(Capital Expenditures) from EBITDA, this will gradually increase to reach 30% by 2030 to maximize shareholder return.

Shareholder Return

We repurchased our shares on seven occasions in 2023, and retired over 3.43 million shares by June 2024, to proactively improve shareholder value. In 2023, a cash dividend of KRW 500/share was paid to enhance shareholder value and improve our corporate value per share. Going forward, Celltrion will engage in such shareholder return activities to seek growth alongside shareholders. Information on dividends is fully disclosed on our website and the electronic disclosure system(DART) and is managed as such.

Annual General Meeting of Shareholders

We respect the legitimate requests and suggestions made by shareholders and protect the value and interests of shareholders while maintaining soundness in our decision-making process and business operations to ensure our corporate value is fairly recognized. We introduced electronic voting for the Annual General Meeting(AGM) of shareholders to make it easier for shareholders to raise their voice, and also encourage them to exercise their shareholder proposal rights through proxy solicitation. For shareholders who find it difficult to attend the AGM, we offer live webcast of the meeting online. While we guarantee shareholder rights to participate in AGMs and exercise their rights, we also engage in active IR activities, including company briefings, NDRs and shareholder discussions to reach out to shareholders and transparently provide information. As such, we ensure transparent and reasonable decision-making so that shareholder rights and interests are not violated for unjustifiable reasons.



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Board of Directors

Board of Directors

Overview of the Board of Directors

Celltrion’s Board of Directors consists of no less than 3 and no more than 15 members pursuant to Article 32 of the Articles of Incorporation and Article 4 of the BoD Regulations. While Article 383 of the Commercial Act stipulates that a company should have at least 3 directors, we decided to have a maximum of 15 directors in consideration of the size of our company and efficiency in meeting and decision-making. Our Board of Directors is composed of 12 directors in the total at the time of submitting this report, and independent directors comprise a majority of the Board to maintain the Board’s independence from corporate management. The Board is co-chaired by Jungjin Seo, the founder and the Chairman of Celltrion Group, and Jinseok Seo, the CEO of Celltrion, to ensure a more efficient and responsible operation of the Board. We promote transparent, efficient, and reliable governance on the back of our management accountability system led by the Board, and bolster the expertise of the Board to ensure responsible decision-making and improve stakeholder satisfaction and build market trust.

Board of Directors

(As of the end of June 2024)

Name	Gender	Responsibility	Committee	Key Experience	Tenure
Jungjin Seo	Male	· Co-Chair of the Board · Inside director	-	CUR Chair of the Board at Celltrion CUR Chairman of Celltrion Group FMR Honorary Chairman of Celltrion Group	Mar. 2023~Mar. 2025
Jinseok Seo	Male	· Co-Chair of the Board · General management · Inside director	-	CUR Chair of the Board at Celltrion CUR Co-CEO of Celltrion FMR Head of the Product Development Unit at Celltrion FMR CEO of Celltrion Skincare	Mar. 2024~Mar. 2027
Woosung Kee	Male	· General management · Inside director	-	CUR Co-CEO of Celltrion FMR CEO of Celltrion	Mar. 2023~Mar. 2026
Hyoungki Kim	Male	· General management · Inside director	-	CUR Co-CEO of Celltrion FMR CEO of Celltrion Healthcare	Dec. 2023~Mar. 2026
Younghyeh Ko	Female	· Independent director	· Audit Committee · Compensation Committee · Independent Director Candidate Recommendation Committee · ESG Committee	CUR Manager of the Pathology Department, Cheju Halla General Hospital CUR Professor Emeritus, Medical School, Sungkyunkwan University FMR Visiting Professor, Department of Pathology, Korea National University Hospital Guro FMR Visiting Professor in Pathology Department, Hanyang University FMR Vice President of the Korean Society of Pathologists FMR Associate Professor and Professor, Samsung Medical Center, Sungkyunkwan University	Mar. 2024~Mar. 2026

Overview of the Board of Directors

Board of Directors

(As of the end of June 2024)

Name	Gender	Responsibility	Committee	Key Experience	Tenure
Keunyoung Kim	Male	Independent director	· ESG Committee(Chair) · Audit Committee · Compensation Committee · Independent Director Candidate Recommendation Committee	CUR Chairman of the Special Committee for Sovereignty, Incheon Citizens’ Coalition for Economic Justice FMR Co-Chairperson, Incheon Citizens’ Coalition for Economic Justice FMR Vice President of Incorporated Association Incheonsamo FMR Head of the Strategic Planning Office of Songdo Global Complex	Mar. 2024~Mar. 2026
Daehyun Yoo	Male	Independent director	· Independent Director Candidate Recommendation Committee(Chair) · Audit Committee · Compensation Committee · ESG Committee	CUR Professor Emeritus, College of Medicine, Hanyang University FMR Professor of Rheumatology, Hanyang University FMR Director of Hanyang University Rheumatology Hospital FMR President of the Korean College of Rheumatology FMR Vice President of the Asia Pacific League of Associations for Rheumatology FMR Chief Director of the Board, Korean College of Rheumatology	Mar. 2024~Mar. 2026
Soonwoo Lee	Male	Independent director	· Compensation Committee(Chair) · Audit Committee · Independent Director Candidate Recommendation Committee · ESG Committee	CUR Chief Director, Purme Foundation Nexon Children’s Rehabilitation Hospital FMR 17th Chairman of the Korea Federation of Savings Bank FMR Advisor of Woori Card FMR Chairman of Woori Financial Group, President of Woori Bank	Mar. 2024~Mar. 2026
Jaesik Lee	Male	Independent director	· Audit Committee(Chair) · Compensation Committee · Independent Director Candidate Recommendation Committee · ESG Committee	CUR CPA, Adjunct Professor of Business Administration, Future Talent Academy, Hanyang University FMR Adjunct Professor of Business Administration, Daejeon University FMR Vice Chairman and Advisor, Samjong KPMG FMR Chairman of Korea Exchange Delisting Substantive Examination Committee	Mar. 2024~Mar. 2026
Joongjae Lee	Male	Independent director	· Audit Committee · Compensation Committee · Independent Director Candidate Recommendation Committee · ESG Committee	CUR Lawyer at Lee Joong Jae Law Firm FMR Independent director at Celltrion Healthcare FMR Representative lawyer at Law Firm Jung FMR Lawyer at Kim & Chang	Mar. 2024~Mar. 2026
Wonkyung Choi	Female	Independent director	· Audit Committee · Compensation Committee · Independent Director Candidate Recommendation Committee · ESG Committee	CUR CPA, Partner at BDO Korea(accounting firm) FMR Independent director at Celltrion Healthcare FMR Samil PwC	Mar. 2024~Mar. 2026
Jongmoon Choi	Male	Independent director	· Audit Committee · Compensation Committee · Independent Director Candidate Recommendation Committee · ESG Committee	CUR Advisor to Yoon&Yang Law Firm FMR Independent director at Celltrion Healthcare FMR Second Vice Minister of Foreign Affairs FMR Ambassador of the Republic of Korea to France	Mar. 2024~Mar. 2026

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Board of Directors

Performance Appraisal and Compensation of the Board

Director compensation is determined by the Compensation Committee within the limits of executive compensation approved by the AGM. We disclose data on director compensation in our annual reports. The annual compensation for inside directors consists of fixed pay and performance pay: fixed pay is likewise determined by the Compensation Committee in line with the executive compensation criteria set by job position and role, and performance pay is set by the Compensation Committee in consideration of both financial and non-financial performance.

Financial performance appraisal is made through absolute evaluations based on such quantitative metrics as sales, operating profit, TSR(Total Shareholder Return), and ROE(Return on Equity) as well as relative evaluations. Non-financial performance appraisal takes into account organizational management, flexible and effective business strategy execution, and social-giving initiatives to fulfill corporate social responsibility as well as the attainment of goals related to the long-term priority of environmental management, and compensation is tied to such qualitative factors as contribution to improving corporate value and performance in risk management in line with economic conditions and the evolving industry landscape. For independent directors, review is in progress to conduct performance appraisal based on their expertise, meeting attendance, and independence, and their compensation is determined under consideration of their expertise and compensation provided by comparable industries.

Meanwhile, independent directors are not provided with stock options while Article 11 of the Articles of Incorporation and our internal regulations stipulate that the proposal to approve the granting of stock options could be put on the agenda of the AGM through deliberation and that employees be given stock options accordingly.

CEO-to-Employee Pay Ratio

Category	Unit	2023
Total compensation for the CEO		1,775
Average employee compensation ¹⁾	KRW million	89
Median employee compensation ²⁾		82
Ratio of CEO's compensation to the average employee compensation ³⁾	Times	20
Ratio of CEO's compensation to the median employee compensation		22

1) The average employee compensation is calculated as the sum of monthly average wages

2) The median employee compensation is calculated as the average compensation for two persons in the middle of the descending order of total employee compensation excluding the highest-paid person

3) As to CEO compensation, the data are based on the compensation provided to Woosung Kee, the highest-paid CEO among three co-CEOs



Board of Directors

Committees under the Board

Under the Board of Directors, there are four committees: the Audit Committee, the Compensation Committee, the Independent Director Candidate Recommendation Committee, and the ESG Committee. These committees operate to assist the Board of Directors in efficiently performing its role. Each committee abides by the committee regulations established to ensure their operational transparency. Members of these committees are appointed for their expert qualifications, and all of these committees are solely composed of independent directors to ensure their independence. In 2023, the Special Committee, exclusively consisting of independent directors, was set up to ensure procedural fairness in the merger of Celltrion and Celltrion Healthcare. The Special Committee deliberated on two decision items and five reporting items, including the overview of the merger, the review of its timeline, and the reporting of the progress made. The committee completed its deliberation on the merger item and was disbanded pursuant to its committee regulations in August.

Committee	Purpose of Establishment and Characteristics	Key Agenda
Audit Committee	· Perform audits on the company's business and accounting operations and directors' execution of duties - Exclusively composed of independent directors to ensure independence - Audit the performance of directors - Request directors and others to report on business operations and investigate into the company's operations and assets	(Decision) Approve the agenda items to be proposed to the AGM (Decision) Prepare audit reports and submit them to the Board (Decision) Submit internal control over financial reporting assessment reports (Reporting) Report quarterly settlements and financial statement audits (Reporting) Report on the quarterly status of concerns raised through the internal whistleblowing system
Compensation Committee	· Perform work in relation to the compensation and assessment of registered directors - Exclusively composed of independent directors to ensure independence - Perform preliminary deliberation and approve the limit of director compensation to be proposed at the AGM - Review and approve matters concerning directors' individual compensation and performance pay - Review and approve matters concerning the method of providing performance pay to the CEO	(Decision) Approve the payment of performance pay for inside directors (Decision) Perform preliminary deliberation on the limit of director compensation in advance
Independent Director Candidate Recommendation Committee	· Examine qualifications of independent director candidates and recommend them to the AGM - Exclusively composed of independent directors to ensure independence - Granted the right to recommend independent director candidates to be appointed at the AGM	(Decision) Recommend independent director candidates
ESG Committee	· Establish sustainability management strategies and review key agendas for ESG management - Exclusively composed of independent directors to ensure independence - Regularly review environmental management performance - Review and approve ESG materiality assessment results	(Decision) Approve ESG management implementation plans (Decision) Approve the establishment/amendment of ESG policies (Decision) Establish a Net Zero Roadmap and make Net Zero commitment (Reporting) Report the publication of ESG Report
Special Committee ¹⁾	· Review and assess overall merger-related matters to ensure the lawful and fair execution of the merger and present opinions on its validity to the Board	(Decision) Prepare review opinions on the merger and submit them to the Board (Reporting) Report the progress on the merger

1) In accordance with Article 14 of the Special Committee Regulations, the Special Committee was dissolved after the Board of Directors completed deliberation on the agenda of the merger resolution on August 17, 2023.

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Compliance and Ethical Management

Compliance and Ethical Management System

Compliance and Ethics Policies

Compliance Guidelines

Celltrion establishes and implements the Compliance Guidelines to adhere to laws and regulations, establish proper business ethics, and promote fairness and transparency in our business conduct. These Guidelines set basic regulations for compliance management and apply to the entire operations of Celltrion and its employees. In 2023, we updated our Anti-Bribery Management System manuals and procedures following the Ethical Advertising and Marketing Policy and the Anti-Corruption and Bribery Policy established in the previous year with an aim to further internalize compliance management in the area of anti-corruption and bribery. We will continue to improve our compliance controls moving forward.

[Ethical Advertising and Marketing Policy](#)

[Anti-Corruption and Anti-Bribery Policy](#)

Code of Ethics

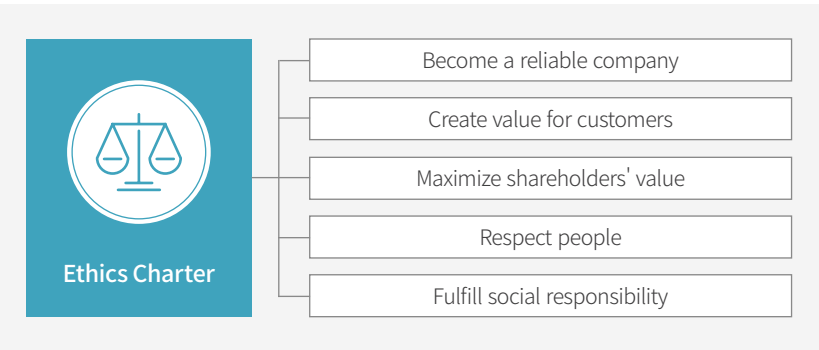
We established the Ethics Charter defining the standards for proper conduct and value judgement, and the Ethics Regulation and the Code of Ethical Conduct outlining specific behavioral rules and standards, and make them widely available on our website for all employees to follow.

[Ethics Charter](#)

[Ethics Regulation](#)

[Code of Ethical Conduct](#)

Ethics Charter

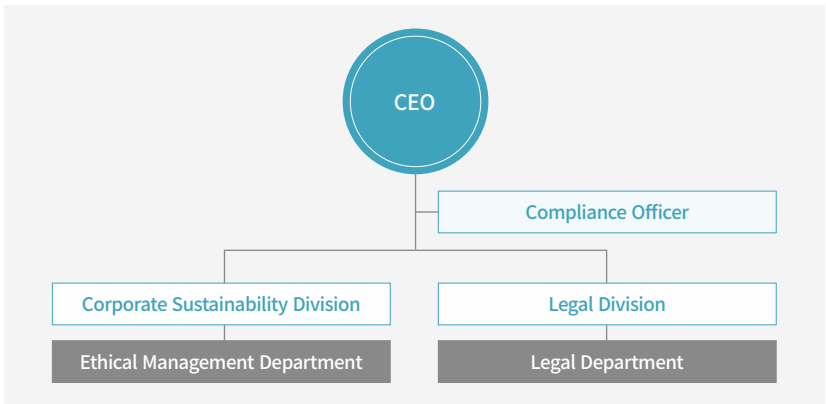


Compliance and Ethical Management Organization

The Corporate Sustainability Division, under the direct leadership of the CEO, operates Ethical Management Department, a dedicated compliance and ethical management organization, and the Compliance Officer who satisfies legal and independence requirements was appointed through the decision made by the Board. The Compliance Officer is assisted by the Ethical Management Department and the Legal Department in performing work in relation to compliance and ethical management, including compliance review and result reporting, provision of relevant training, and support for the Board with agenda review and decision-making.

The Ethical Management Department, as our dedicated compliance and ethical management organization, performs audits on our compliance with the Code of Ethical Conduct and other relevant regulations at least four times a year, systematizes compliance risks in the key management areas of anti-corruption, fair trade, intellectual property, personal information, HR, workplace safety and healthcare, and is responsible for the operation of the ISO 37001(Anti-Bribery Management System) international standards. To help employees raise their awareness of compliance and ethical management, we added the item 'compliance with principles' in employee performance evaluations and are establishing a compensation system aligned with compliance risk and/or adherence to our ethical norms.

Compliance and Ethical Management Organization



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Compliance and Ethical Management

Anti-Bribery Management System

We strive to advance our compliance system to establish our ESG management system and meet the increasing needs of stakeholders for compliance and ethical management. We established our first anti-corruption management system according to ISO 37001 in 2021. In December of the same year, we received certification from the global certification body, BSI(British Standards Institution). Enterprise bribery risks¹⁾ are assessed each year, and departmental risks are identified for bribe-taking, improper solicitation, conflict of interest, embezzlement, malpractice, and use of privileged information to ensure high-risk areas are subject to individual reporting and management. In so doing, we have established an effective risk management system that serves to identify work-related stakeholder issues at the enterprise and department level and develop bribery risk identification, assessment, and management plans while taking action and performing due diligence on key bribery risks. In 2023, we successfully passed additional certification audits to verify the validity and effectiveness of our Anti-Bribery Management System. Our efforts will continue to upgrade this system and strengthen monitoring to preemptively brace for increasing corruption risks that arise due to multiple internal and external factors.

1) Enterprise bribery risk assessment includes the evaluation of key bribery risks, and assessment is made on the entire operations each year.

Compliance and Ethics Whistleblowing

Celltrion operates a compliance whistleblowing system to prevent any illegal and corruptive behaviors associated with our business operations, including unjustified receipt of money and valuables, acts of unfair trade, and infringement of trade secrets and to advance compliance and ethical management. Anyone may raise their concern anonymously upon detecting illegal or unfair business conduct and/or violation of the Code of Ethical Conduct on the part of our employees, and their identity and the details of their whistleblowing report remain strictly confidential to ensure they do not suffer any disadvantage for the act of whistleblowing. The department responsible for this compliance whistleblowing mechanism receives concerns and investigates them according to pertinent regulations, and takes appropriate action, including disciplinary action, depending on the severity of the issue in collaboration with relevant departments. The concerns raised and their investigation results are reported to the Audit Committee each quarter.

Reporting Non-compliance

Whistleblowing Targets

- Business-related bribery or improper solicitation
- Conflict of interest against the company's interests
- Embezzlement of company funds or malpractice
- Use or leak of privileged information
- Unfair trade practices, including preferential treatment for or discrimination against specific companies, and cartels
- Violation of accounting laws and standards
- Violation of service regulations such as negligence

Whistleblowing Channels

- Online: E-mail, corporate website, in-house groupware
- E-mail address: Whistleblowing@celltrion.com, Hotline@celltrion.com
- Offline: In-house anonymous channel(Tongnamu), post
- Post address: Celltrion, 23 Academy-ro, Yeonsu-gu, Incheon, Korea



[Celltrion's Anti-Corruption Week event in 2023]

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Compliance and Ethical Management

Compliance and Ethics Training and Culture

To prevent any illegal or corruptive practices that may occur in the course of business conduct and minimize such risks, we operate systemic training programs subdivided into basic/advanced/specialized training according to the purpose and target of training. To raise ethics awareness among employees, we provide annual compliance and ethics training to all employees irrespective of position, including contract workers and part-timers, and this training was completed by all employees in 2023. We also make our employees sign the compliance pledge each year, publish regular compliance newsletters, produce and distribute anti-corruption promotional materials, and launch various campaigns to elevate employees' awareness of compliance and ethics and weave compliance into the fabric of our corporate culture.



[Training on the Pharmaceutical Affairs Act]

Compliance and Ethics Training Provided in 2023



[Training on On-site Subcontracting Issues under the Act on the Protection of Temporary Agency Workers]

Training	Purpose	Target	Training Hours	Trainees
Basic training	Raise awareness of compliance/ethical management and ESG management	All employees	4,480	2,240
Advanced training	Understand business-related laws and regulations ¹⁾	Departments associated with key risks	190	2,467
Specialized training	Strengthen compliance capability ²⁾	Compliance and legal departments	210	35
	Prevent bribery risk and operate the ABMS (Anti-Bribery Management System)	Employees appointed as anti-bribery guardians	134	67

1) Including training on the Fair Transaction in Subcontracting Act, the Pharmaceutical Affairs Act, the Monopoly Regulations and Fair Trade Act, the Act on the Protection of Temporary Agency Workers, and training of CSO expense reporting

2) Including ethical management workshops(May, Nov.), and the Ethical Management Academy(Jun.)

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Risk Management

Risk Management System

Enterprise Risk Management Governance

Celltrion operates a enterprise risk management system to manage risks that arise through-out our business operations. We manage risks under a three-level hierarchy according to the function of risk management. The risk management department continuously monitors risks in close cooperation with dedicated organizations in respective risk areas, identifying and assessing both financial and non-financial risks including emerging risks in each busi-ness area. Preventive measures for identified risks, risk response activities, and response results are reported to the CEO and senior management(1st line). Celltrion manages the enterprise risk management processes and response systems through the ESG Committee under the Board of Directors(2nd line). The Audit Committee Support Team conducts in-dependent audits of our enterprise risk management process and reports the audit results to the Audit Committee, which in turn oversees compliance with risk-related regulations based on the audit findings and conducts risk reviews(3rd line). This enterprise risk man-agement governance enables us to review our risk-specific response plans and risk man-agement system, allowing us to respond flexibly to risks that are increasing in likelihood and impact across our business operations. Going forward, we will advance our enterprise risk management governance and operate a stable risk management system.

Enterprise Risk Management Process and Response System

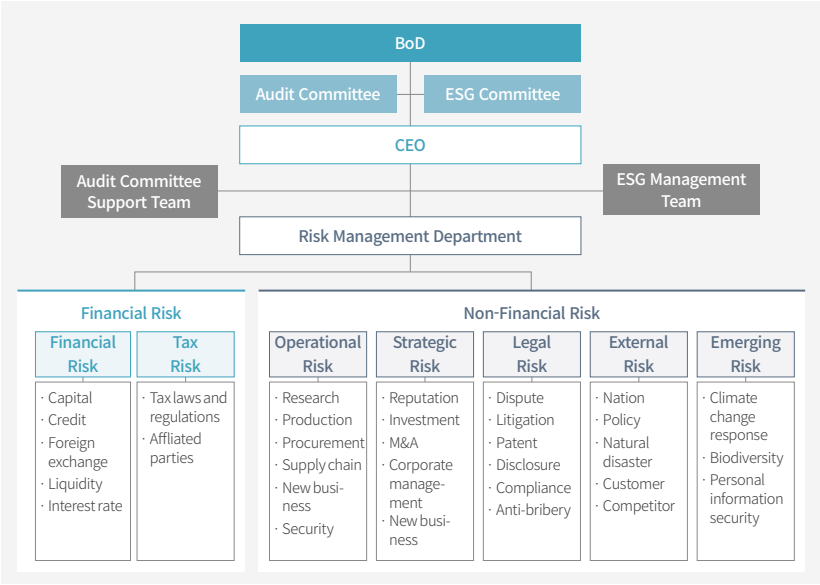
To ensure stable and sustainable operations, we have established an enterprise risk man-agement process to guide our preventive and response activities. We engage in regular annual risk reviews to identify our exposure to key risks, and analyze and assess risks iden-tified across diverse aspects, from pharmaceutical industry trends to growth potential and market competitiveness. Risks are prioritized based on their likelihood and magnitude of potential impact, and we respond to respective risks accordingly. To ensure more robust management of financial and non-financial risk, we operate an enterprise risk response system linking frontline departments to the Board of Directors.

Financial risk is managed through the internal control over financial reporting and non-fi-nancial risk is systematically managed through the ESG Committee. As to operational and strategic risk, responsible departments are designated by specific type of risk(R&D, product development, other approval procedures) to engage in proactive risk monitoring and control activities. In the event of risk occurrence, the responsible department promptly identi-fies its specific impact and communicates this to the risk management department.

The risk management department categorizes the risks collected, and implements to specific response activities. When the need arises for enterprise decision-making for pre-

vention or control purposes, this is escalated to the CEO and the Board to manage the con-cerned risks. As such, we will continue to operate a enterprise risk management system to strengthen review and response activities for each identified risk.

Enterprise Risk Management Organization



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Business Continuity Management System(BCMS)

We establish and operate our Business Continuity Management System(BCMS) in accordance with the ISO 22301 international standards to promptly recover business operations in the event of such crises as natural disaster, fire, supply chain disruption, and war and to maintain reliable production and supply of medicines. In fact, the entire scope of our operation sites has been certified to this BCMS standard. We also identified our core operations and types of disasters to ensure system-based business continuity and developed Business Continuity Plans(BCP) accordingly, formulating strategies to minimize impact on our investors, customers, and suppliers as well as on our own operations. Moving forward, we will continue to reinforce our risk review and monitoring system to promote reliability in the production and supply of medicines while monitoring internal and external risk factors.

[Achievement of Business Continuity Management System Certification(ISO 22301)]



BCMS Operations

1

Business Impact Analysis

Analyze 575 core tasks prioritized for recovery

- Identify core tasks requiring continuity at the department level and set the target timeline to identify resources necessary for recovery



2

Risk Assessment

Identify and assess 205 risks that may suspend core tasks

- Identify and assess risks that may result in the suspension of core tasks by type of disaster and determine the need for response strategy



3

Business Continuity Strategy & Solution

Set 121 continuity strategies by core task and type of disaster

- Establish mitigation strategies for major tasks with high risk by type of disaster



4

Business Continuity Plan

Classify 10 types of disasters and develop recovery plans for core tasks

- Develop response and recovery manuals in preparation for types of disasters that frequently occur internally/externally



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Risk Management

Key Risk Identification and Management

Celltrion classifies financial and non-financial risks that may occur in the course of business conduct and manages them accordingly. In particular, key risks in the areas of regulatory compliance and anti-bribery among others are regularly reviewed on an annual basis or more often while responsible departments are designated for their systemic management and relevant employees actively participate in the risk response process to build an effective risk management system(1st line of defense). This is followed by the development of comprehensive mid/long-term response measures and strategies, which are then escalated to the ESG Committee(2nd line of defense) or the Audit Committee(3rd line of defense) and finally to the Board of Directors.

Key Financial Risk

Type	Definition	Management Activity
Financial Risk	Liquidity risk	Inability to repay debt in time due to insufficient funds Forecast short/mid/long-term balance of payments and then analyze and respond to cash flows
	Foreign exchange risk	Losses due to currency fluctuations - Plan and manage mid/long-term balance of payments for major currencies(USD, EUR) - Prohibit speculative F/X transactions not based on real demand as well as potentially high-risk derivatives transactions
	Interest rate risk	Interest rate expenses and loss of interest income due to change in interest rates - Constantly monitor factors contributing to interest rate fluctuations - Analyze fixed and variable interest rates over different periods to effectively apply and manage borrowing interest rates to minimize net interest costs
	Credit risk	Failure to collect accounts receivable due to deteriorating credit ratings or default of the counterparty Set bad debt provisions in consideration of financial conditions, credit ratings, and historical transactions of the counterparty
		Inability to recover deposits due to credit risk of financial institutions Deposit and manage most of the cash in prime banks' principal-protected products
	Tax risk	Non-compliance with tax laws due to amendments to tax laws in countries where we operate - Assess and review tax risks through the dedicated tax department - Review tax law interpretations and tax law amendments each year

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Key Risk Identification and Management

Key Non-financial Risk

Type	Definition	Management Activity
Non-financial Risk	Operational risk Worker safety and health compromised due to hazards and risks in the workplace Unlawful collection, use, and disclosure of personal information as well as their leak, misuse and illegal distribution	· Operate the ISO 45001(Occupational Health and Safety Management System) keep workers safe against occupational injuries and other varying risks and to mitigate economic losses from injuries · Implement policies to promote worker engagement and support for occupational injury prevention activities
	Strategic risk Failure to continuously discover and maintain growth drivers in the rapidly-evolving and fiercely competitive global pharmaceutical and biotech markets	· Discover and manage mid/long-term growth drivers by drawing on the advice and review of the investment committee composed of subject matter experts(technology, law, finance) for large-size facilities, product development, new business, and M&A investments
	Legal risk Financial and non-financial losses due to non-compliance with pertinent laws and systems concerning regulatory enactment/amendment, court precedents, regulations, and contractual acts Negative impact on corporate reputation due to corruption and crime or financial losses from regulatory non-compliance	· Constantly monitor domestic/overseas laws and regulations and regulatory updates · Introduce an enterprise compliance system to regularly review and monitor risks in 7 areas · Establish and operate an ISO 37001(Anti-Bribery Management System) to prevent and properly address various bribery risks · Identify and assess bribery risks each year and report the results to the Board
	External risk Failure to meet ESG-related stakeholder requirements amid the ongoing social interest in ESG management Negative impact from changes in overseas policies and regulations on the biopharmaceutical industry	· Operate the ESG management governance system by expanding dedicated departments, ensuring enterprise ESG TF management, and convening the ESG Committee · Assess Celltrion's ESG management status in line with global initiatives and stakeholder requirements, and identify improvement tasks by area · Monitor policies and regulatory trends in the biopharmaceutical industry and in key countries such as the US, EU, and others
	Emerging risk Emerging risks due to the shifting business landscape in Korea and abroad	· Regularly identify and analyze risks and report to the Board at the risk management department level · Analyze potential business impact and develop response measures under the enterprise risk management system

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Tax Risk Management

We abide by tax laws in line with our core value of ‘compliance with principles, faith, and trust’ and faithfully meet our tax filing and payment obligations. Our Tax Policy ensures that we adhere to tax laws and fulfill our tax-related social responsibility, and we strive to prevent tax risks that may arise in our business operations.

To this end, we document and retain legally-acceptable evidence associated with transactions, and respond to tax authorities’ request for evidence promptly and accurately, maintaining transparent relationships in so doing. For domestic transactions, we apply fair pricing in doing business with third-parties and related parties pursuant to applicable laws. For cross-border transactions, we abide by the OECD Transfer Pricing Guidelines with the help of expert to minimize international tax risk.

Tax Policy

Tax Risk Assessment

We operate a dedicated tax department to preemptively identify and manage tax-related risks that may occur in business conduct operations. Risk assessment and review are performed in line with our tax principles and appropriate decisions are made to prevent risks associated with tax transactions. We also go over and analyze new interpretations of tax laws and the amendments made to tax laws each year to prevent tax risk. Rigorous tax risk review is required for acquisition of assets, cross-border transactions, pursuit of new business, changes in transaction structure, and the results are reflected in final decision-making in consultation with internal organizations and external experts. Such endeavors for tax risk management ensure that we minimize risk while improving the efficiency of our tax management.

Tax Principles

- 1 Comply with country-specific tax laws and regulations
- 2 Prohibit tax evasion by exploiting mismatches in tax laws between countries
- 3 Adhere to arm’s length pricing in related party transactions
- 4 Manage global risk by submitting BEPS(Base Erosion and Profit Shifting)¹⁾ reports
- 5 Provide information to tax authorities transparently and promptly



1) BEPS(Base Erosion and Profit Sharing): Refer to the act of multinational companies taking advantage of cross-country mismatches in tax laws to avoid or lower taxes they pay

Internal Control over Financial Reporting

We design and operate the internal control over financial reporting in line with the “conceptual framework for design and operation of internal control over financial reporting” to prepare and publish reliable accounting information. In conformity with the Act on External Audit of Stock Companies, we effectively operate and assess our internal control over financial reporting by abiding by our internal accounting control regulations governing the identification, measurement, classification, recording, and reporting of accounting information, the control and correction of errors, and regular review and adjustment, along with the independent and qualified department dedicated to the management and operation of the system. We also boost the effectiveness of our policies and activities aimed at preventing and detecting the risk of errors that may lead to misstatements of financial statements, embezzlement and other corruptive practices through internal and external verifications including the independent assessments and audits performed by the Board of Directors, the Audit Committee, and external auditors.

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Information Security Management System

Information Security Policy

To advance prediction-based active security, we have established an information security system that centers on five core values. In 2019, we stipulated our information security policy and 15 information security guidelines and procedures as company regulations, and disclosed them on the internal groupware for all employees to access. Relevant regulations are regularly reviewed at least once a year to ensure new regulations are established and existing ones are updated in line with compliance regulations and the shifting internal business environment. In 2021, the Personal Information Security Regulations were established and have been reviewed regularly on an annual basis or more often to reflect regulatory amendments. In 2023, a new Information Security Policy was adopted as part of ESG Policies while key provisions of the existing Information Security Policy were made public to elevate its external credibility. Celltrion will continue investing in bolstering our security capabilities and building a dedicated security workforce.

Information Security Policy

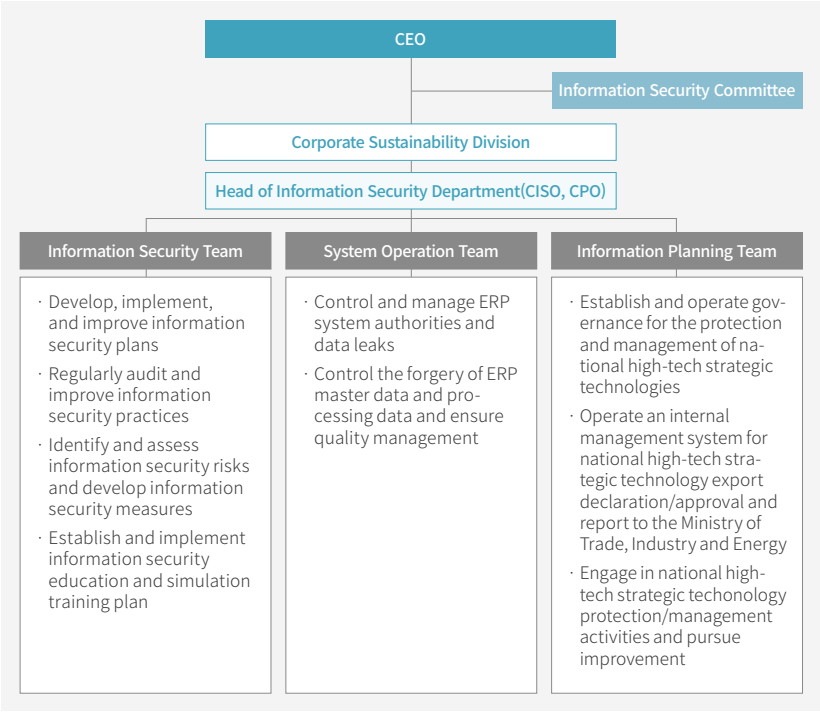
Information Protection Core Values

Core Value	Description
Governance	Ensure employees' accountability for information security by responding proactively to changes in business and information technology and continuously optimizing our own regulations.
Responsibility and trust	Create a sense of autonomy and trust through transparent disclosure and restriction made possible via sophisticated control of security threat behaviors based on employees' clear understanding of their security responsibilities and authorities.
Communication and change management	Build a mature culture of information security by encouraging employees' accountability and autonomy through change management and planning for information security to build a positive security mindset.
Sophisticated preventive security	Identify protection targets requiring preventive security while guaranteeing convenience and autonomy for employees, and actively embrace new technology in line with the proportionality principle.
Digital innovation	Maintain timeliness by proactively addressing security threats and developing alternatives in light of digital transformation, operational technology, and other technological changes.

Information Security Governance

Celltrion have created a dedicated information security organization under the Corporate Sustainability Division, and appointed the Chief Information Security Officer(CISO) and the Chief Privacy Officer(CPO) who bring their subject matter expertise to oversee our information security and Personal Information Protection operations respectively. The Information Security Committee, supervised by the CISO consists of executives from respective business divisions to maintain information security governance and share agendas across the entire business operations. The Committee convenes regularly to propose and discuss agendas requiring consultations and decisions in relation to security.

Information Security Management Organization



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Information Security Certification

In October 2023, Celltrion achieved the ISO 27001 certification for our overall GMP(Good Manufacturing Practice) implementation. ISO 27001, an information security certification set by the International Organization for Standardization(ISO). To maintain the certification, companies must undergo regular audits at least once a year or more often. We plan to keep our operations certified to ISO 27001 across our GMP system that is instrumental in our core technology competitiveness with an aim to develop and operate an advanced information security management system capable of preventing technology leaks as a company designated under the national high-tech strategic technology program. In so doing, we will become a secure and trustworthy company in the eyes of customers and partners and from the viewpoint of economic security.



[Achievement of Information Security Management System Certification(ISO 27001)]

Information Security Management

Information Leakage Management System

Our information leakage management system aims to safeguard critical information assets including national high-tech strategic technology, personal information, and key internal data and to rigorously control and manage information breaches across the organization. Monthly self-reviews are conducted on information security breaches, and those involved in such breaches are given a chance to explain for justification and receive corresponding penalties while those with outstanding security performance are awarded each year under the information security penalty/reward system. This has resulted in a year-on-year drop in non-compliance with information security regulations while improving employees' information security awareness and capabilities and creating a culture of voluntary compliance for information security.

Information Security Penalty/Reward System



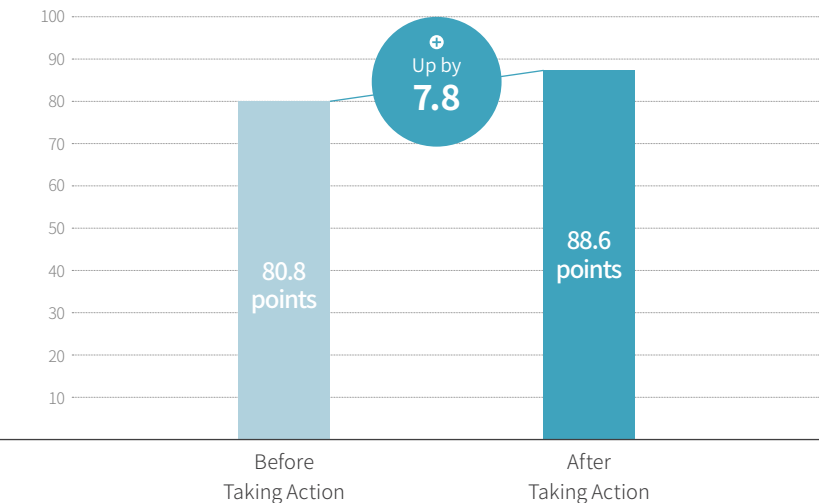
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Information Security Vulnerability Identification and Mitigation

We identify expected threats for the relevant organizations and IT infrastructure assets that fall in the scope of ISO 27001 as well as threats associated with internal information assets and personal information. In 2023, we analyzed vulnerabilities across the administrative, physical, and technical domains to identify risks: these risks were rated and classified into short/mid/long-term risks, and risk mitigation plans were developed accordingly. Currently, we are implementing these plans to reduce our risk level, and periodically re-developing plans and taking actions for residual risks at least once a year to ensure continuous risk management while measuring and improving their effectiveness. In 2023, an assessment was made on the improvement measures undertaken to address identified vulnerabilities, and our average score reached 88.6 points, up by 7.8 points from the previous assessment.

Effectiveness Assessment of Information Security Vulnerability Improvements



Personal Information Security Activities

We establish and implement internal management plans to meet the standards of the Personal Information Protection Act throughout the personal information life cycle. The personal information handling guidelines posted on our website clearly inform the data subject of the protection of their rights and our personal information handling methods. We renew our personal information liability insurance subscription each year to fulfill our responsibility towards the data subject in preparation for personal information leaks while taking technical measures to protect personal information from external attacks such as encryption and access control. We also periodically take stock of our personal information processing practices through internal assessment to develop and implement improvement plans, continuously raising the bar on our personal information protection performance.

Information Security Disclosure

To meet our information security disclosure obligations as specified in the amended Act on the Promotion of Information Security Industry, we made information security disclosure in 2023, following our inaugural disclosure made in June 2022. By Transparently disclosing our information security data on the investments made, workforce overview, and the activities undertaken on the Korea Internet & Security Agency(KISA) system, we faithfully fulfill our disclosure mandate.



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Internalizing a Culture of Information Security

We engage in a wide array of enterprise activities each year to raise employees' information security awareness. Specifically, the 'Information Security Day' event held in 2023 served to launch campaigns to share the latest security breaches and necessary precautions to elevate our security awareness across the board.

Information Security Awareness-Raising Activity

- Recognizing and awarding Security Hero**

Employees were selected as Security Heroes for their proactive participation in information security programs – security vulnerability reporting and idea suggestion, malicious e-mail drills, and phishing reporting – and were awarded prizes
- Publishing CEO's letter**

In line with our elevated status as a company owning national high-tech strategic technology, CEO's letter was published to underscore the importance of information security in July 2023.
- Providing special training on industry security**

For our employees specialized in handling national high-tech strategic technology, we invited industry security experts from the National Intelligence Service to give lectures on industry security issues and trends.
- Displaying industry security posters**

Four types of industry security posters designed to visibly highlight the importance of protecting industrial technology were displayed at respective buildings.
- Distributing new screensavers**

Screensavers with tips to distinguish malicious e-mails were produced and distributed.



[CEO's letter]



[Special Training on Industry Security]



[Industry Security Poster]



[New Screensaver]

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Recognized as a National High-Tech Strategic Technology Company

As animal cell culture and purification technology(multi-use bioreactor cell culture with a capacity of 10,000 liters and above) used for the development and production of biopharmaceuticals was additionally designated as national high-tech strategic technology¹⁾, Celltrion’s status was elevated from a company owning national core technology to a company owning national high-tech strategic technology.

1) Notification on the Designation of National High-Tech Strategic Technology and Others(2023-108, Jun. 2, 2023)

Strengthened Technology Protection Obligations and Tax Benefits

As our status was elevated to a company owning national high-tech strategic technology, we are subject to strengthened protection measures and penalty regulations. This means that we are obligated to gain export approvals irrespective of receiving government financial support for our technology, to register the list of employees handling such technology with the Ministry of Trade, Industry and Energy, and to respond to the request to access our immigration data when deemed necessary. Furthermore, employees involved in technology leakage could face five or more years of imprisonment and KRW 2 billion or less in fines to take increased responsibility for technology protection. Meanwhile, this comes with greater tax benefits for our business and research operations. We proactively engaged in negotiations with the government to make sure the labor expenses, service expenses, and clinical batch development expenses required for phase 1 to 3 clinical trials are all recognized as R&D expenses, and this resulted in an up to 40% of tax deduction made available for these expenses starting from July 2023.

Raising the Bar on Internal Technology Protection

Following the promotion of our company status, we were rated ‘excellent’ in the preliminary assessment conducted by the National Intelligence Service, up from the ‘good’ rating we received in 2022, successfully demonstrating that we are faithfully assuming our obligation to protect national high-tech strategic technology. In 2024, we will establish a document security management system and a screen watermarking policy and fully introduce security solutions, meeting the nation’s security requirements and further bolster our security performance to effectively safeguard our information assets.

Key Achievements

100% Timely Execution of Technical Data Export Declarations

Celltrion stringently abided by the statutory provisions specifying that any technical data export should be preceded by the notification of the pertinent government agency confirming receipt of the export declarations, and secured 100% of these notifications within the set deadline.



Honored with the Minister of Trade, Industry and Energy Award in 2023

In recognition of our contribution as a member of the 2nd Task Force Team under the Bioengineering Industry Security Council in 2023, our national high-tech strategic technology protection officer received the Minister of Trade, Industry and Energy Award in 2023.

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Consolidated Statement of Financial Position

Category	2021	2022	2023
Assets			
Current assets	3,074,471	2,929,792	5,009,358
Cash and cash equivalents	1,188,326	551,187	564,612
Short-term financial assets	31,575	43,277	193,825
Trade receivables	1,101,089	1,621,890	939,170
Other receivables	63,294	32,200	10,181
Inventories	578,057	616,352	3,041,453
Current corporate tax assets	-	-	5,100
Other current assets	112,130	64,886	126,549
Non-current assets held for sale	-	-	128,468
Non-current assets	2,599,652	2,961,860	14,908,176
Long-term financial assets	24,435	29,274	30,386
Long-term trade receivables	-	62,888	-
Long-term other receivables	12,491	91,154	91,487
Investments in associates	64,841	88,535	104,713
Property, plant and equipment	950,412	1,007,038	1,214,588
Intangible assets	1,491,571	1,622,326	13,336,117
Investment property	-	-	275
Other non-current assets	27,279	28,461	67,142
Deferred tax assets	28,623	32,184	63,468
Total assets	5,674,123	5,891,652	19,917,534
Liabilities			
Current liabilities	1,210,480	1,294,098	2,470,579
Short-term financial liabilities	569,598	665,012	1,783,369
Trade payables	80,723	50,271	50,853
Other payables	228,419	320,244	421,044
Current tax liabilities	179,552	88,705	57,041
Provisions	3,850	1,487	1,860
Other current liabilities	148,338	168,379	156,412

(As of the end of December 2023, Unit: KRW million)

Category	2021	2022	2023
Non-current liabilities	413,268	323,350	321,161
Long-term financial liabilities	174,757	154,468	107,116
Long-term other payables	13,985	7,576	5,872
Other non-current liabilities	202,950	160,201	88,626
Deferred tax liabilities	21,576	1,105	119,547
Total liabilities	1,623,748	1,617,448	2,791,740
Equity			
Equity attributable to owners of the parent	3,917,238	4,139,360	16,980,683
Issued capital	137,947	140,805	220,290
Share premium	840,337	853,172	14,771,952
Retained earnings	3,052,475	3,485,109	3,963,574
Accumulated other comprehensive income	24,987	48,746	52,631
Other components of equity	(138,508)	(388,472)	(2,027,764)
Non-controlling interests	133,137	134,844	145,111
Total equity	4,050,375	4,274,204	17,125,794
Total liabilities and equity	5,674,123	5,891,652	19,917,534

Financial Information

Consolidated Statement of Profit or Loss

(As of the end of December 2023, Unit: KRW million)

Category	2021	2022	2023
Revenue	1,893,401	2,283,967	2,176,432
Cost of sales	805,807	1,251,270	1,124,563
Gross profit	1,087,594	1,032,697	1,051,869
Selling and administrative expenses	343,417	385,499	400,388
Operating profit	744,177	647,198	651,481
Other income	53,500	47,524	54,185
Other expenses	84,964	87,043	34,742
Finance income	42,294	24,945	31,438
Finance costs	12,798	13,507	19,950
Profit(loss) on equity method	(3,586)	7,056	(11,316)
Profit before income tax	738,623	626,173	671,096
Income tax expenses	152,820	94,826	131,389
Profits from continuing operations	585,803	531,347	539,707
Profits from discontinued operations	9,977	11,219	-
Profit for the year	595,780	542,566	539,707
Attributable to:			
Owners of the parent company	579,465	537,836	535,648
Profits from continuing operations	569,488	526,616	535,648
Profits from discontinued operations	9,977	11,220	-
Non-controlling interests	16,315	4,731	4,059
Profits from continuing operations	16,315	4,731	4,059
Profits from discontinued operations	-	-	-
Earnings per share:			
Basic earnings per share(Unit: KRW)	4,001	3,742	3,759
Diluted earnings per share(Unit: KRW)	3,982	3,736	3,753

Consolidated Statement of Comprehensive Income

(As of the end of December 2023, Unit: KRW million)

Category	2021	2022	2023
Profit for the year	595,779	542,566	539,707
Other comprehensive income	19,199	23,839	3,803
Items that may be subsequently reclassified to profit or loss	27,351	22,797	6,065
Exchange differences on translation of foreign operations	27,351	22,797	6,065
Items that will not be reclassified to profit or loss	(8,152)	1,042	(2,262)
Equity adjustments in equity method	(270)	1,048	178
Exchange differences on translation of foreign operations	121	81	(82)
Gain(loss) on valuation of financial assets measured at fair value through other comprehensive income	(11,677)	171	(3,229)
Gain(loss) on disposal of financial assets measured at fair value through other comprehensive income	536	-	-
Income tax effects relating to components of other comprehensive income(loss)	3,138	(258)	871
Total comprehensive income	614,978	566,405	543,510
Attributable to:			
Owners of the parent company	598,542	561,594	539,533
Non-controlling interests	16,436	4,811	3,977

Corporate Tax Payment by Business

(As of the end of December 2023, Unit: KRW million)

Nation	Corporation Name	Key business	No. of employees (person)	Revenue	Operating profit	Taxes and dues	Income tax paid
Republic of Korea ¹⁾	Celltrion	Antibody drug development, manufacturing and sales	2,529	1,873,430	682,473	119,205	146,651
	Celltrion Pharm	Pharmaceutical manufacturing and sales	909	388,794	26,209	4,944	7,175
Others ²⁾		Pharmaceutical sales, etc.	192	117,126	(7,530)	318	318

1) The data were prepared based on Celltrion's 2023 tax adjustment statement for 2023, and the corporate income tax paid is based on the 2023 cash flow statement

2) Countries accounting for below 10% of total income taxes were combined and disclosed as Others

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Environmental

※ Following the merger of Celltrion and Celltrion Healthcare on December 28, 2023, to form a unified company, 2023 annual environmental performance data were calculated based on Celltrion as One Company.

GHG Emissions

Category	Unit	2020	2021	2022	2023
Total GHG emissions(Scope 1+2)	tCO ₂ eq	52,602	54,615	56,517	64,717
Direct GHG emissions(Scope 1)	tCO ₂ eq	18,297	19,402	21,218	22,457
Indirect GHG emissions (Scope 2)	tCO ₂ eq	34,305	35,213	35,299	42,260
GHG emissions intensity (Scope 1&2)	tCO ₂ eq/ KRW 100 million	2.8	2.9	2.5	3.0
Other indirect GHG emissions (Scope 3) ¹⁾	tCO ₂ eq	-	-	-	28,798
Purchased goods and services	tCO ₂ eq	-	-	-	4,558
Capital goods	tCO ₂ eq	-	-	-	714
Upstream transportation and distribution	tCO ₂ eq	-	-	-	1,625
Waste generated in operations	tCO ₂ eq	-	-	-	3,035
Business travel	tCO ₂ eq	-	-	-	2,112
Employee commuting	tCO ₂ eq	-	-	-	618
Downstream transportation and distribution	tCO ₂ eq	-	-	-	16,136
GHG emissions intensity(Scope 3)	tCO ₂ eq/ KRW 100 million	-	-	-	1.3

1) Scope 3 emissions have been calculated since 2023

Reduction of GHG Emissions

Category	Unit	2020	2021	2022	2023
Total GHG emissions reduced ¹⁾	tCO ₂ eq	533	496	496	496

1) Indirect emissions from energy use reduction activities were calculated using emission factors

Energy Consumption

Category	Unit	2020	2021	2022	2023
Total energy consumption	TJ	1,066	1,117	1,155	1,352
Direct energy consumption	TJ	360	381	418	442
Non-renewable energy sources	TJ	360	381	418	442
Gasoline	TJ	2.3	2.6	2.7	2.7
Diesel	TJ	0.3	0.4	0.3	0.3
LNG	TJ	357	378	415	439
Renewable energy sources	TJ	0	0	0	0
Indirect energy consumption (purchased amount)	TJ	706	736	738	910
Electricity	TJ	706	736	738	853
Steam ¹⁾	TJ	0	0	0	57
Energy consumption intensity	TJ/KRW 100 million	0.06	0.06	0.05	0.06

1) Steam has been used at the Global R&D Center since 2023, and this is internally counted as energy consumption at Plant 2 and managed as such

Reduction of Energy Consumption

Category	Unit	2020	2021	2022	2023
Total energy-savings ¹⁾	TJ	11.1	10.4	10.4	10.4

1) Refer to energy-savings achieved through energy use reduction activities including operating HVAC equipment in power-saving mode at production facilities of each plant and turning off every other light along the hallway of the machine room

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Water Resource Management

Category	Unit	2020	2021	2022	2023
Total water consumption¹⁾	ton	173,708	190,242	191,019	230,434
Plant 1	ton	74,450	75,398	74,973	81,014
Plant 2	ton	99,258	114,844	116,046	149,420
Total water withdrawals²⁾	ton	484,825	511,168	526,583	597,713
Plant 1	ton	210,904	222,606	222,051	229,415
Plant 2	ton	273,921	288,562	304,532	368,298
Total water discharged³⁾	ton	311,117	320,926	335,564	367,279
Plant 1	ton	136,454	147,208	147,078	148,401
Plant 2	ton	174,663	173,718	188,486	218,878
Total recycled and reused water	ton	-	-	-	-
Plant 1	ton	-	-	-	-
Plant 2	ton	-	-	-	-

- 1) Water consumption was calculated by excluding water discharged from water withdrawn as specified in GRI 303-5. This change in calculation formula resulted in re-calculation and restatement of water consumption for the period from 2020 to 2022
- 2) All water used in our operations is supplied water(freshwater supplied by third-parties)
- 3) Total water discharged refers to wastewater released from wastewater treatment facilities, and domestic sewage from restrooms and restaurants among others was not included as such sewage goes to the sewage treatment plant for treatment

Water Pollutant Management

Category	Unit	2020	2021	2022	2023
Biochemical Oxygen Demand(BOD)	ton	0.49	1.12	3.31	1.12
Chemical Oxygen Demand(COD)	ton	9.28	4.60	-	-
Total Organic Carbon(TOC) ¹⁾	ton	-	-	6.45	4.28
Suspended Solids(SS)	ton	5.39	0.83	1.42	1.41
Total Nitrogen(T-N)	ton	4.07	4.97	4.18	4.80
Total Phosphorus(T-P)	ton	0.52	0.11	0.13	0.12

- 1) In line with the change in metric for organic substances as water pollutants pursuant to the Enforcement Decrees of the Sewerage Act, TOC measurements began in 2022, while COD had been measured until 2021

Air Pollutant Management

Category	Unit	2020	2021	2022	2023
Nitrogen Oxides(NOx) ¹⁾	ton	21.501	20.563	20.196	10.954
Sulfur Oxides(SOx)	ton	0.080	0.087	0.096	0.101
Particulate Matter(PM)	ton	0.242	0.262	0.287	0.304

- 1) NOx emissions data for 2023 is identical to the one submitted to the total workplace air pollutant management system pursuant to the Clean Air Conservation Act and the Special Act on Air Quality Improvement in the Air Quality Management Area(reflecting reduction efficiency in pollution prevention facilities)

Waste Management

Category	Unit	2020	2021	2022	2023
Waste generated	ton	1,771	1,822	2,091	2,217
Industrial wastes	ton	1,569	1,610	1,880	2,058
Designated wastes ¹⁾	ton	201	213	211	159
Waste processed	ton	859	838	945	916
Industrial wastes	ton	673	643	751	787
Landfilled	ton	-	-	-	-
Incinerated	ton	673	643	751	787
Others	ton	-	-	-	-
Designated wastes	ton	186	195	194	129
Landfilled	ton	-	-	-	-
Incinerated	ton	185	195	192	128
Others	ton	1	-	2	1
Total Waste recycled	ton	912	984	1,146	1,301
Industrial wastes	ton	897	966	1,129	1,271
Designated wastes	ton	15	18	17	30
Waste recycled performance²⁾	%	51	54	55	59

- 1) Medical waste is included in designated waste
- 2) Waste recycled performance: Waste recycled / Waste generated

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ESH Training

	Category	Unit	2020	2021	2022	2023
ESH training	Training hours	Hour	37,428	38,484	40,560	41,232
	Participants	Person	1,996	2,082	2,173	2,202
Training for hazardous chemical managers	Training hours	Hour	608	608	496	48
	Participants	Person	38	38	31	3
Training for personnel handling hazardous chemicals	Training hours	Hour	6,176	3,808	5,488	7,136
	Participants	Person	386	238	343	446
Training for workers involved with hazardous chemicals	Training hours	Hour	1,970	2,126	1,958	1,788
	Participants	Person	985	1,063	979	894
Special training on chemical spill prevention management plans	Training hours	Hour	-	-	464	128
	Participants	Person	-	-	29	8
Capacity building training	Training hours	Hour	-	-	-	73
	Participants	Person	-	-	-	73
Ethical management and ESG	Training hours	Hour	-	-	-	4,480
	Participants	Person	-	-	-	2,240

Environmental Compliance

	Category	Unit	2020	2021	2022	2023
Financial penalties		KRW million	6.4 ¹⁾	-	-	-
Prosecutions		Case	-	-	-	-
Non-financial sanctions		Case	-	-	-	-

1) Calculated fines were imposed for the failure to report subcontracting of chemical substances handling(new metric) and for non-compliance with self-measurement for air pollutant emitting facilities. Fines for 2020 were re-calculated and re-stated

Raw/Sub Materials Used

	Category	Unit	2020	2021	2022	2023
Amount of raw/sub materials usage ¹⁾		ton	616	577	519	588

1) In accordance with the standards of the environmental disclosure system

Environmental Targets and Performance in 2023

	Category	Unit	Goal	Performance	Achievement(%)
GHG emissions		tCO ₂ eq/ KRW 100 million	2.45	2.97	79
Energy consumption		TJ/ KRW 100 million	0.05	0.06	80
Waste generated		ton/ KRW 100 million	0.09	0.10	88
Water consumption		ton/ KRW 100 million	8.28	10.59	72

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Social

※ Following the merger of Celltrion and Celltrion Healthcare on December 28, 2023, to form a unified company, social performance data were calculated according to the following standards. The performance data at the end of 2023 were calculated based on Celltrion as One Company. As to the 2023 annual performance data, data before the merger were calculated based on pre-merger Celltrion while data after the merger were calculated based on Celltrion as One Company.

Employee Profile¹⁾

Category		Unit	2020	2021	2022	2023		
Total employees		Person	2,158	2,207	2,263	2,529		
By gender	Male	Person	1,267	1,286	1,299	1,460		
	Female	Person	891	921	964	1,069		
	Percentage of females	%	41	42	43	42		
By age	Under 30	Person	1,045	940	811	838		
	30 to 50	Person	1,079	1,228	1,416	1,642		
	Above 50	Person	34	39	36	49		
By nationality	Korea	Person	2,127	2,177	2,239	2,498		
	USA	Person	13	14	12	15		
	India	Person	5	5	3	2		
	Others ²⁾	Person	13	11	9	14		
By job level	Director and above	Subtotal	Person	86	91	105	144	
		Male	Person	67	66	75	107	
		Female	Person	19	25	30	37	
	Manager - Senior Manager	Subtotal	Person	500	599	655	814	
		Male	Person	320	371	398	494	
		Female	Person	180	228	257	320	
	Assistant Manager and below ³⁾	Subtotal	Person	1,572	1,517	1,503	1,571	
		Male	Person	880	849	826	859	
		Female	Person	692	668	677	712	
	By job function	Research	Subtotal	Person	648	701	727	679
			Male	Person	285	299	304	287
			Female	Person	363	402	423	392
Production		Subtotal	Person	1,204	1,134	1,159	1,246	
		Male	Person	800	760	767	816	
		Female	Person	404	374	392	430	

	Category	Unit	2020	2021	2022	2023		
By job function	Sales ⁴⁾	Subtotal	Person	-	-	-	95	
		Male	Person	-	-	-	50	
		Female	Person	-	-	-	45	
	Office administration	Subtotal	Person	306	372	377	509	
		Male	Person	182	227	228	307	
		Female	Person	124	145	149	202	
By management position ⁵⁽⁶⁾	All managers	Subtotal	Person	226	248	268	387	
		Male	Person	164	167	181	270	
		Female	Person	62	81	87	117	
	High-level managers ⁷⁾	Subtotal	Person	15	17	22	42	
		Male	Person	12	12	18	31	
		Female	Person	3	5	4	11	
	Mid-level managers	Subtotal	Person	41	52	54	85	
		Male	Person	33	36	35	64	
		Female	Person	8	16	19	21	
	Low-level managers	Subtotal	Person	170	179	192	260	
		Male	Person	119	119	128	175	
		Female	Person	51	60	64	85	
	Percentage of managers by nationality	Korea	%	96.9	97.2	97.4	97.4	
		USA	%	2.2	2.0	1.9	1.6	
		India	%	-	-	-	-	
		Other	%	0.9	0.8	0.7	1.0	
	By diversity	No. of foreign national employees		Person	31	30	24	31
		Percentage of foreign national employees		%	1.4	1.4	1.1	1.2
No. of employees with disabilities		Person	2	2	2	2		
Percentage of employees with disabilities		%	0.1	0.1	0.1	0.1		

1) Prepared based on the 'employee overview and others' data in our annual report 2) 1 Saudi Arabian, 1 Argentine, 1 Australian, 2 Chinese, 8 Canadians, and 1 Filipino 3) Assistant manager, associate, assistant supervisor, special positions, interns, part-timers 4) Due to the Celltrion merger, Celltrion Healthcare's sales staff were added in 2023 5) High-level managers(head of division or higher), Mid-level managers(head of department), Low-level managers(team leader and deputy team leader) 6) Recalculation of previous year's data due to change in internal management standards 7) As of 2023, nearly 62% of our high-level managers resided in Incheon, Korea where our key operations are located

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New Hires¹⁾

Category		Unit	2020	2021	2022	2023
Total No. of new hires		Person	107	183	185	363
By gender	Male	Person	68	91	86	203
	Female	Person	39	92	99	160
By age	Under 30	Person	77	123	130	175
	30 to 50	Person	29	59	55	187
	Over 50	Person	1	1	-	1
By region	Korea	Person	106	179	184	354
	USA	Person	1	2	-	3
	Canada	Person	-	1	1	3
	China	Person	-	-	-	1
	Australia	Person	-	-	-	1
	Others	Person	-	1	-	1
By manager level	High-level managers	Person	1	-	-	-
	Mid-level managers	Person	1	-	-	15
	Low-level managers	Person	1	3	1	36
Internal recruitment rate ²⁾		%	70	89	61	85

1) Part-timer recruitment is excluded from the new recruitment status

2) Internal recruitment rate = Internal department transfer / (Internal department transfer + Experienced hires)

Turnover(Retirement)

Category		Unit	2020	2021	2022	2023
Turnover rate		%	10	13	14	10
Voluntary turn-over rate ¹⁾	Total voluntary turnover rate	%	5	8	9	7
	By gender	Male	94	133	140	109
		Female	118	155	177	153
	By age	Under 30	116	225	194	160
		30 to 50	93	60	111	98
		Over 50	3	3	12	4

1) Voluntary turnover rate: Individuals leave on their own initiative, regardless of organization's intention.(job change, resignation)

Female-to-Male Pay Ratio¹⁾

Category		Unit	2020	2021	2022	2023
Female to male ratio		%	90	88	86	92
Average pay per person	Male	KRW million	79	81	84	84
	Female	KRW million	70	71	72	77
Executives	Base salary	%	85	116	92	109
	Base salary + other cash incentives	%	147	217	100	113
Managers	Base salary	%	102	117	100	102
	Base salary + other cash incentives	%	89	95	98	99
Non-managers	Base salary + other cash incentives	%	92	85	88	92

1) Salaries depend on the years of service and performance appraisals with no influence based on gender, position, or business site

Parental Leave and Return-to-Work

Category		Unit	2020	2021	2022	2023
Employees who used childbirth leave		Person	27	30	34	36
Employees who took parental leave	Total	Person	35	33	57	61
	Male	Person	7	5	8	15
	Female	Person	28	28	49	46
Percentage of employees who returned to work after parental leave ¹⁾	Total	%	100	100	95	92
	Male	%	100	100	100	87
	Female	%	100	100	94	93
Percentage of employees who served for 12 months after returning from parental leave ²⁾	Total	%	100	97	94	88
	Male	%	100	100	100	100
	Female	%	100	96	93	86

1) Total employees who returned to work after parental leave/total employees who will return to work after parental leave

2) Total employees who returned to work after parental leave and continued to work for 12 months/total employees who returned to work after parental leave during the previous reporting cycle

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Education and Training¹⁾

Category			Unit	2020	2021	2022	2023
Average training hours per person			Hour/Person	4.4	4.4	7.6	9.2
Total training hours			Hour	9,456	9,663	17,141	23,170
Total training expenses			KRW million	99	119	328	250
Training hours per person	By gender	Male	Hour/Person	4.5	4.3	8.9	11.4
		Female	Hour/Person	4.2	4.5	5.8	6.0
	By type of contract	Regular & fixed-term	Hour/Person	4.5	4.5	7.9	9.7
		Contract	Hour/Person	2.6	3.0	2.3	2.3
	By job level	Director and above	Hour/Person	2.3	3.8	4.3	2.9
		Manager - Senior Manager	Hour/Person	3.2	3.4	5.7	4.7
		Assistant Manager and below	Hour/Person	4.9	4.8	8.6	12.1
	By job function	Research	Hour/Person	4.4	5.0	6.7	7.1
		Production	Hour/Person	3.0	3.1	7.9	11.1
		Office administration	Hour/Person	9.7	7.1	8.3	8.8
Training expenses per person	By gender	Male	KRW 10,000/Person	5	6	19	9
		Female	KRW 10,000/Person	3	4	8	11
	By type of contract	Regular & fixed-term	KRW 10,000/Person	5	6	15	10
		Contract	KRW 10,000/Person	-	2	6	1
	By job level	Director and above	KRW 10,000/Person	1	2	13	5
		Manager - Senior Manager	KRW 10,000/Person	3	4	8	10
		Assistant Manager and below	KRW 10,000/Person	5	6	18	10
	By job function	Research	KRW 10,000/Person	10	4	14	16
		Production	KRW 10,000/Person	1	4	7	7
		Office administration	KRW 10,000/Person	20	13	40	12

Category			Unit	2020	2021	2022	2023
Education programs	Training for new employees	Training hours	Hour	2,346	2,584	3,179	2,958
		Participants	Person	138	152	187	174
	Anti-sexual harassment	Training hours	Hour	2,072	2,080	2,118	2,231
		Participants	Person	2,072	2,080	2,118	2,231
	Disability awareness training	Training hours	Hour	2,053	2,091	2,130	2,211
		Participants	Person	2,053	2,091	2,130	2,211
	Job training	Training hours	Hour	2,986	2,908	9,716	15,770
		Participants	Person	108	238	255	295
Human capital ROI ⁽²⁾				13	11	10	9

1) Data for the past year were re-stated due to change in internal management standards

2) HCROI = Based on the consolidated annual report, $\frac{[(\text{profit}) - \{(\text{operating expenses}) - (\text{employee-related expenditure})\}]}{(\text{employee-related expenditure})}$

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Labor-management Council

Category	Unit	2020	2021	2022	2023
Percentage of employees covered by Labor-management Council agreement	%	100	100	100	100

Occupational Safety and Health

Category	Unit	2020	2021	2022	2023	
Rate of industrial accidents ¹⁾	Employees	%	-	-	0.14	0.08
	Suppliers	%	0.36	-	0.34	0.57
LTIFR(Lost Time Injury Frequency Rate) ²⁾	Employees	Case/1 million working hours	-	-	0.57	1.03
	Suppliers	Case/1 million working hours	1.49	-	1.44	2.39
Fatalities	Employees	Person	-	-	-	-
	Suppliers	Person	-	-	-	-

1) Rate of industrial accidents = (No. of employees who sustained occupational injuries) / (Total No. of employees) x 100

2) LTIFR = (No. of incidents that resulted in lost work) / (Total hours worked) x 1,000,000

Employee Engagement¹⁾

Category	Unit	2020	2021	2022	2023
Highly engaged employee rate ¹⁾	%	-	-	58	58
Employee participation rate	%	-	-	27	40

1) The employee engagement survey has been conducted since 2022, and the data from 2022 has been recalculated due to changes in internal management standards

Supplier Overview

Category			Unit	2022	2023	
No. of Tier-1 Suppliers			Company	374	377	
Key Suppliers ¹⁾	Total No. of suppliers		Company	19	21	
	Percentage of purchase		%	80	80	
	By region	Domestic	No. of companies	Company	2	4
			Percentage of purchase	%	7	10
		Overseas	No. of companies	Company	17	18
			Percentage of purchase	%	73	70
Tier-1 Suppliers Other than Key Suppliers	Total No. of suppliers		Company	355	355	
	Percentage of purchase		%	20	20	
	By region	Domestic	No. of suppliers	Company	248	253
			Percentage of purchase	%	8	9
		Overseas	No. of suppliers	Company	107	102
			Percentage of purchase	%	11	11

1) Key suppliers: Among the tier-1 supplier, those that have high business from transaction amount or ESG risk perspective

Quality Inspection

Category		Unit	2020	2021	2022	2023
Quality Inspection		Case	4	7	9	6
Customers ¹⁾	Quality inspections	Case	2	6	5	5
Health authorities ²⁾	Due diligence	Case	2	1	3	1
FDA	Due diligence	Case	-	-	1	-
Recalled Products		Case	-	-	1	-

1) Customers: Distributors, Qualified Person, Certifiers(BSI - ISO 9001)

2) Health authorities: Korea, Russia, Turkey, Europe(US marked separately)

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Social Contribution and Community Engagement

	Category	Unit	2020	2021	2022	2023
Community Engagement	Total donations	KRW million	4,986	1,608	2,236	2,581
	Charitable donations	KRW million	3,360	536	420	789
	Community investments	KRW million	1,626	1,073	1,816	1,793
Employees volunteering	Total participants ¹⁾	Person	-	2	74	111
	Participation rate	%	-	0.1	3.3	4.4
	Total participation hours	Hour	-	4	74	145
	Volunteer hours per person	Hour/Person	-	2	1	1
Operational sites with community engagement and development programs	Total No. of operational sites	Site	1	1	1	1
	No. of operational sites with programs	Site	1	1	1	1
	Percentage of operational sites with programs	%	100	100	100	100

1) In 2020, employee volunteering activities were not conducted due to COVID-19
In 2021, only a minimum No. of individuals participated to maintain the Volunteer Management System(VMS) certification

Political Contributions and Association Dues¹⁾

	Category	Unit	2020	2021	2022	2023
Association dues related to the bioindustry		KRW million	59	59	74	203
	Korea Biomedicine Industry Association	KRW million	36	36	36	36
	Korea BIO	KRW million	18	18	33	33
	Korea AEO Association	KRW million	5	5	5	6
	Medicines for Europe	KRW million	-	-	-	129

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

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Governance

※ Following the merger of Celltrion and Celltrion Healthcare on December 28, 2023, to form a unified company, governance performance data were calculated according to the following standards. The performance data at the end of 2023 were calculated based on Celltrion as One Company. As to the 2023 annual performance data, data before the merger were calculated based on pre-merger Celltrion while data after the merger were calculated based on Celltrion as One Company.

Shareholders and Dividends

	Category	Unit	2020	2021	2022	2023
Composition of shareholders	Major shareholders and affiliates	Share	30,612,857	31,266,234	32,103,218	61,365,142
	Foreigners	Share	28,816,911	28,192,316	28,776,801	43,386,798
	Domestic institutional investors	Share	18,188,799	14,954,918	19,019,804	20,312,966
	Individuals and other corporations	Share	56,166,323	62,210,530	57,892,884	82,142,623
	Treasury shares	Share	1,212,915	1,323,130	3,012,503	13,082,991
Dividends paid	Total dividends	KRWmillion	2,676	105,200	57,184	103,603
	Dividend per share	KRW	-	750	375	500
	Cash dividend payout ratio	%	-	17.68	9.61	19.34
	Cash dividend yield	%	-	0.37	0.21	0.27
	Type of dividend	-	Stock	Stock+Cash	Stock+Cash	Cash

Overview of Board of Directors

	Category	Unit	2020	2021	2022	2023
Composition of the Board	Total	Person	9	9	9	12
	By type	Inside Directors	Person	4	4	4
		Independent Directors	Person	5	5	8
	By gender	Male	Person	9	9	10
		Female	Person	-	-	2
Operation of the Board	Meetings held	Time	12	10	12	17
	Average attendance of independent directors	%	95	92	90	95
	Agendas	Decision	Case	31	29	34
		Reporting	Case	6	8	9
						11

Board Committees

	Category	Unit	2020	2021	2022	2023
Audit Committee	Percentage of independent directors	%	100	100	100	100
	Meetings held	Time	6	6	9	7
	Agendas	Decision	Case	8	3	8
		Reporting	Case	23	22	30
Compensation Committee	Percentage of independent directors	%	100	100	100	100
	Meetings held	Time	3	2	4	5
	Agendas	Decision	Case	3	2	5
		Reporting	Case	-	-	-
Independent Director Candidate Recommendation Committee	Percentage of independent directors	%	63	63	63	100
	Meetings held	Time	2	-	2	-
	Agendas	Decision	Case	2	-	2
		Reporting	Case	-	-	-
ESG Committee ¹⁾	Percentage of independent directors	%	-	-	100	100
	Meetings held	Time	-	-	2	2
	Agendas	Decision	Case	-	-	3
		Reporting	Case	-	-	1

1) Newly established in 2022

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Ethics and Anti-Corruption

Category			Unit	2020	2021	2022	2023
Anti-corruption risk management	Anti-corruption risk assessment ¹⁾	Total operational sites	Site	-	3	3	3
		Operational sites assessed for anti-corruption risk	Site	-	3	3	3
		Performed	%	-	100	100	100
	Suppliers abiding by our anti-corruption policy(Code of Ethics)		Company	-	3	5	5
Corruption incidents (ethics violations)	Received and reported ²⁾		Case	29	35	18	21
		Neglect of duty	Case	13	6	6	3
		Conflict of interest	Case	-	-	-	1
		Bribery	Case	-	-	-	1
	Disciplinary action by cause	Misappropriation of assets	Case	-	1	-	-
		Workplace bullying/sexual harassment	Case	6	4	5	-
		Breach of information security	Case	1	7	1	-
		Other ethical violation	Case	7	12	3	3
	Disciplinary action taken	Total corrective actions taken	Case	27	30	15	8
		Minor disciplinary action	Case	14	16	5	3
		Serious disciplinary action	Case	13	14	10	5
	Cancellation of contract with partners		Case	-	-	-	-
	Legal action taken due to anti-corruption acts		Case	-	-	-	-

1) Anti-corruption risk assessment has been conducted since 2021.
 2) Cases received and reported include cases of discrimination, and discrimination did not occur in 2023.

Compliance Overview

Category			Unit	2020	2021	2022	2023
Violations related safety & health	Fines due to legal violations		Case	1	1	2	-
	Warnings issued due to legal violations		Case	-	-	-	-
	Internal regulations violations		Case	-	-	-	-
Information security	Complaints of customer's personal information	Complaints raised by third parties and recognized internally	Case	-	-	-	-
		Complaints raised by regulatory authorities	Case	-	-	-	-
	Leaked/stolen/lost of customer's information		Case	-	-	-	-
Legal action taken due to anti-competitive acts		Case					

Information Security Investment and Training

Category			Unit	2020	2021	2022	2023
Information security investment		KRW million		1,032	1,071	1,466	2,848 ¹⁾
Information security training ²⁾	Training hours		Hour	2,094	2,106	2,340	2,984
	Participants		Person	2,094	2,106	2,160	2,238

1) Information security investments made in 2023 are sum of the investments made by Celltrion and Celltrion Healthcare before the merger.
 2) Information security training is largely divided into information security training for all employees(once a year), information security training for new employees(once a month), and training for personal information handlers(once a year). The figures listed are the number of hours of information security training provided once a year to all employees across the company

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GRI Standards Index

Celltrion reports its sustainability management data and performance for the period between January 1, 2023 and December 31, 2023 in accordance with the GRI Standards 2021. As of the time of this reporting(Jun. 2024), no standards have been released for the bio/pharmaceutical industry to which Celltrion belongs and there are no corresponding GRI sector standards available. As to GRI 1, data has been prepared in conformity with GRI1: Foundation 2021.

Universal Standards

General disclosures

Topic	Index	Contents	Reference page number	Additional information
The Organization and its Reporting Practices	2-1	Organizational details	8, 11	
	2-2	Entities included in the organization’s sustainability reporting	2, 116, 119, 124	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	-	Data modifications due to mergers and changes in standards have been separately commented
	2-5	External assurance	137-138	
	2-6	Activities, value chains, and other business relationships	8	
	2-7	Employees	119	
	2-8	Workers who are not employees	-	2023 Annual Report, p.357
	2-9	Governance structure/composition	93~94	
	2-10	Nomination and selection of the highest governance body	95	
	2-11	Chair of the highest governance body	93	
	2-12	Role of the highest governance body in overseeing the management of impacts	12, 16	
	2-13	Delegation of responsibility for managing impacts	12	
	2-14	Role of the highest governance body in sustainability reporting	12	
	2-15	Conflicts of interest	92	
	2-16	Communication of critical concerns	95	2023 Annual Report, p.328-331
	2-17	Collective knowledge of the highest governance body	95	
	2-18	Evaluation of the performance of the highest governance body	96	
	2-19	Remuneration policies	96	2023 Annual Report, p.358-360
	2-20	Process to determine remuneration	96	

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General disclosures

Topic	Index	Contents	Reference page number	Additional information
The Organization and its Reporting Practices	2-21	Annual total compensation ratio	96	
	2-22	Statement on sustainable development strategy	5	
	2-23	Policy commitments	141-153	
	2-24	Embedding policy commitments	27, 35, 48, 52, 62, 67, 78, 80	
	2-25	Processes to remediate negative impacts	53-55, 84-85	
	2-26	Mechanisms for seeking advice and raising concerns	55	
	2-27	Compliance with laws and regulations	125	
	2-28	Membership associations	140	
	2-29	Approach to stakeholder engagement	17	
	2-30	Collective bargaining agreements	61	

Material Topics

Topic	Index	Contents	Reference page number	Additional information
Disclosures of material topics	3-1	Process to determine material topics	15	
	3-2	List of material topics	16	
		Management of material topics	16	
	3-3	Material topic 1. R&D innovation	19-21	
		Material topic 2. Improving Access to Healthcare	22-23	
		Material topic 3. Response to Climate Change	24-25	

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Topic Standards

Material Topics

1. R&D innovation

Topic	Index	Contents	Page
Material Topics	3-3	Management of material topics	16, 19
Indirect	203-1	Infrastructure investments and services supported	72-75
Economic Impacts	203-2	Significant indirect economic impacts	19-21

2. Improving access to healthcare

Topic	Index	Contents	Page
Material Topics	3-3	Management of material topics	16, 22
Indirect	203-1	Infrastructure investments and services supported	76-79
Economic Impacts	203-2	Significant indirect economic impacts	22-23

3. Response to climate change

Topic	Index	Contents	Page
Material Topics	3-3	Management of material topics	16, 24
Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	24-25,42-44, 106
Energy	302-1	Energy consumption within the organization	116
	302-3	Energy intensity	116
	302-4	Reduction of energy consumption	116
Emissions	305-1	Direct(Scope 1) GHG emissions	46, 116, 139
	305-2	Energy indirect(Scope 2) GHG emissions	46, 116, 139
	305-3	Other indirect(Scope 3) GHG emissions	46, 116, 139
	305-4	GHG emissions intensity	116
	305-5	Reduction of GHG emissions	116
	305-7	Nitrogen oxides(NOx), sulfur oxides (SOx), and other significant air emissions	31, 117

4. Product responsibility and safety

Topic	Index	Contents	Page
Material Topics	3-3	Management of material topics	16
Materials	416-2	Incidents of non compliance concerning the health and safety impacts of products and services	122, 125

5. Supply chain ESG risk management

Topic	Index	Contents	Page
Material Topics	3-3	Management of material topics	16
Procurement Practices	204-1	Proportion of spending on local suppliers	80, 122
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	83
	308-2	Negative environmental impacts in the supply chain and actions taken	82-84
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	83
	414-2	Negative social impacts in the supply chain and actions taken	82-84

6. Governance

Topic	Index	Contents	Page
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Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	93-94, 119

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Material Topics

7. Compliance

Topic	Index	Contents	Page
Material Topics	3-3	Management of material topics	16
Anti corruption	205-1	Operations assessed for risks related to corruption	99
	205-2	Communication and training about anti-corruption policies and procedures	100, 153
	205-3	Confirmed incidents of corruption and actions taken	125

8. Workplace health and safety

Topic	Index	Contents	Page
Material Topics	3-3	Management of material topics	16
Occupational Health and safety	403-1	Occupational health and safety management system	63
	403-2	Hazard identification, risk assessment, and investigation	64
	403-3	Occupational health services	64-66
	403-4	Worker participation, consultation, and communication on occupational health and safety	63
	403-5	Worker training on occupational health and safety	65
	403-6	Promotion of worker health	65
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	66
	403-8	Workers covered by an occupational health and safety management system	63, 122
	403-9	Work-related injuries	122

9. Reduction of raw/subsidiary material consumption

Topic	Index	Contents	Page
Material Topics	3-3	Management of material topics	16
Materials	301-1	Materials used by weight or volume	118

10. Ethical management

Topic	Index	Contents	Page
Material Topics	3-3	Management of material topics	16
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	125
Marketing and Labeling	417-1	Requirements for product and service information and labelin	67-71

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Non Material Topics

Topic	Index	Contents	Page
Economic Performance	201-1	Direct economic value generated and distributed	114-115
	201-4	Financial assistance received from government	21
Tax	207-1	Approach to tax	105, 152
	207-2	Tax governance, control, and risk management	105, 152
	207-4	Stakeholder engagement and management of concerns related to tax	124
	207-4	Stakeholder engagement and management of concerns related to tax	124
Water and Effluents	303-2	Management of water discharge-related impacts	31, 117
	303-3	Water withdrawal	117
	303-4	Water discharge	117
	303-5	Water consumption	117
	303-5	Water consumption	117
Biodiversity	304-2	Significant impacts of activities, products and services on biodiversity	48-50
Waste	306-3	Waste generated	32, 117
	306-4	Waste diverted from disposal	34, 117
	306-5	Waste directed to disposal	32, 117
Employment	401-1	New employee hires and employee turnover	120
	401-3	Parental leave	61, 120

Topic	Index	Contents	Page
Training and Education	404-1	Average hours of training per year per employee	121
	404-2	Programs for upgrading employee skills and transition assistance programs	57-58
	404-3	Percentage of employees receiving regular performance and career development reviews	59
Diversity and Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to men	120
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	123

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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	Code	Metrics	Reference & Page
Safety of Clinical Trial Participants	HC-BP-210a.1.	Discussion, by world region, of the management process for ensuring quality and patient safety during clinical trials	We have established clinical trial management policies and internal management procedures that align with international standards governing ethical/scientific quality management.(p.70-71, ESG Report)
	HC-BP-210a.2.	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)	We have not been subject to either Voluntary Action Indicated or Official Action Indicated as a result of inspections related to the management of clinical trials and pharmacovigilance, and we fully comply with applicable laws, regulations, and guidelines. 1) Voluntary Action Indicated(VAI): Zero 2) Official Action Indicated(OAI): Zero
	HC-BP-210a.3.	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	No losses were incurred in 2023.
Access to medicines	HC-BP-240a.1	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	We develop biosimilars that deliver equivalent efficiency at affordable prices compared to their reference products, and explore new formulations to improve access to medicines for patients.(p.22, ESG Report)
	HC-BP-240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme(PQP)	For details of prequalification for the 10 products including CT-G07(HIV/AIDS treatment), refer to the Prequalified Lists available on the WHO website.
Affordability and pricing	HC-BP-250a.1	List of products listed in the Food and Drug Administration’s(FDA) MedWatch Safety Alerts for Human Medical Products database	For details on the class 1 recall made in 2022 for our DiaTrust COVID-19 Ag product, refer to the FDA MedWatch website.
	HC-BP-250a.3	Number of recalls issued, total units recalled	No recalls were issued in 2023.
	HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices(cGMP), by type	No violations occurred in 2023.
Ethical Marketing	HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	No losses were incurred in 2023.
	HC-BP-270a.2	Description of the code of ethics governing promotion of off-label use of products	Our Code of Ethics prohibits any promotion of unauthorized medicines, and our Good Marketing Practices policy specifies that all promotional materials must align with the approved product information.
Employee Recruitment, Development and Retention	HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	We operate a range of training programs to help our R&D workforce improve their expertise. To build a new research center and provide an optimal research environment, we are actively catering to the needs of our R&D workforce and are expanding facilities. (p.57-58, and p.75, ESG Report)
	HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others	We disclose data on voluntary and non-voluntary turnover by gender and age. (p. 120, ESG Report)
Supply Chain Management	HC-BP-430a.1	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.	We conduct regular quality inspections of respective suppliers to help them remain compliant with cGMP(current Good Manufacturing Practice) standards, and manage our suppliers through supplier ESG assessment to build long-term, constructive relationships.(p.80-84, ESG Report)

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Topic	Code	Metrics	Response and Reporting Page
Business Ethics	HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	In 2023, no monetary losses occurred as a result of legal proceedings associated with corruption and bribery. We also publicly disclose matters on significant legal and disciplinary procedures through our regular disclosures and annual reports each year.
	HC-BP-510a.2	Description of the code of ethics governing interactions with health care professionals	Our Code of Ethical Conduct and Detailed Regulations for Interaction with Stakeholders include provisions on the offering of economic benefits to Health Care Professionals(HCPs), and we engage in regular training, review, and guidance to report on relevant status. Such reports are provided in accordance with the procedures required by respective countries, and are disclosed accordingly.
Activity Metrics	HC-BP-000.A	Number of patients treated	Based on annual sales and medication usage data, we estimate that the number of patients treated amounted to 542,665 persons in 2023.(p.23, ESG Report)
	HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	Approved products: 8, biosimilar pipelines(7): Phase 1(1), Phase 3(6) (p.21, p.72, ESG Report)
Product Safety and Product Lifecycle Management	HC-DI-250a.1	Total amount of monetary losses as a result of legal proceedings associated with product safety	No losses were incurred in 2023.
	HC-DI-250a.2	Description of efforts to minimise health and safety risks of products sold associated with toxicity/chemical safety, high abuse potential, or delivery	We perform pharmacovigilance throughout the entire life cycle of medicines to ensure their safe use and risk management.(p.71, ESG Report)
	HC-DI-410a.1	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	We conducted LCA(Life Cycle Assessment) on our products, and established our track record and plans for transitioning to eco-friendly packaging.(p.35, ESG Report)
Business Ethics	HC-DI-510a.1	Description of efforts to minimise conflicts of interest and unethical business practices	We have stipulated our ethical norms - the Ethics Policy and the Code of Ethical Conduct - which apply to all our employees to ensure their fair business conduct, and make them publicly available. These ethical norms include provisions on respect for the principle of free competition, prohibition of unfair trade, fulfillment of BI(Business Intelligence)-related information security responsibility, and compliance with ethical marketing practices, along with zero tolerance towards any type of unethical business practices. We regularly collect pledges signed to fully understand and abide by our ethical norms each year, and include violation with these ethical norms in our disciplinary regulations for management and oversight.
	HC-DI-510a.2	Number of pharmaceutical units sold by product category	In 2023, no monetary losses were incurred due to bribery, corruption, or other unethical business conduct. We also publicly disclose matters on significant legal and disciplinary procedures through our regular disclosures and annual reports each year.
Activity Metrics	HC-DI-000.A	Number of pharmaceutical units sold by product category	Our sales of biopharmaceuticals are estimated at about 12,148,000 units in 2023(p.23, ESG Report)

ISSB Index

Celltrion discloses four content areas(governance, strategy, risk management, metrics and targets) presented by the International Sustainability Standards Board(ISSB) under the International Financial Reporting Standards(IFRS) Sustainability Disclosure Standards.

Category	Disclosure Requirement	R&D Innovation	Improving Access to Healthcare	Response to Climate Change
Governance	Information on the governance body(s) responsible for oversight of sustainability-related risks and opportunities, and management's role in the governance processes.	19	22	39
Strategy	The effects of those sustainability-related risks and opportunities on the entity's strategy and decision-making	20	22	40-44
Sustainability-related risks and opportunities	The sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects	20	22	41
Business model and value chain	The current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain.	20	22	42-44
Strategy and Decision-making	The effects of sustainability-related risks and opportunities on its strategy and decision-making.	20	22	42-44
Financial position, financial performance and cash flows	Information on the effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period and the anticipated effects of those over the short, medium and long term.	20	22	42-44
Resilience	Information on capacity to adjust to the uncertainties arising from its sustainability-related risks, and the resilience of its strategy and business model in relation to its sustainability-related risks.	-	-	-
Risk management	Information on processes to identify, assess, prioritize and monitor sustainability-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process	21	23	45
Metrics and targets	The objective of sustainability-related financial disclosures on metrics and targets, and progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.	21	23	46-47

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TCFD Index

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 under the Board of Directors reviews climate change-related risks and opportunities and discloses related potential risks based on TCFD recommendations.

	Category	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	39
		B. Describe management's role in assessing and managing climate-related risks and opportunities.	39
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.	41
		B. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	42-44
		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.	40
		B. Describe the organization's processes for managing climate-related risks.	45
		C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	45
4. Metrics and Target	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.	46
		B. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	46
		C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	46

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UN SDGs

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 positive influence and contribute to achieving shared global objectives.

SDGs	Description	Celltrion's Key Performance in 2023	Page
Goal 1 	No Poverty 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.	- Reasonable and sustainable pricing - Operating international procurement programs	22, 78-79
Goal 3 	Good Health and Wellbeing 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	- Supplying biopharmaceuticals at reasonable prices - Expanding the production of biopharmaceuticals to improve access to medicines - Participating in international procurement programs	76, 78-79
Goal 4 	Quality Education 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	- Recruiting of excellent personnel - Operating professional job training program	57-58
Goal 5 	Gender Equality 5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate. 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	- Creating a family-friendly working environment - Promoting women's social participation through equal work ability evaluation and opportunity provision	56, 61
Goal 6 	Clean Water and Sanitation 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	- Wastewater monitoring and test measurement - Strengthening internal standards for wastewater management	31
Goal 7 	Affordable and Clean Energy 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.	- Energy-saving investment activities(LED replacement, thermal energy supply contract conclusion) - Establishing a plan to purchase external renewable energy reduction measures	30, 37-38
Goal 8 	Decent Work and Economic Growth 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	- Prohibiting discrimination, expanding diversity and inclusion, and guaranteeing equal pay within the human rights policy - Conducting human rights impact assessments and providing human rights education programs	52-56
Goal 9 	Industry, Innovation and Infrastructure 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	Nurturing promising domestic bio startups through open innovation activities	86-88
Goal 12 	Responsible Consumption and Production 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Establishment of resource circulation(raw materials) system	34
Goal 13 	Climate Action 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	- Establishing Celltrion 2045 Net Zero Roadmap - Analyzing based on climate change scenario according to TCFD recommendations - Transition to low-emission vehicles - Signing a MOU to establish a Net Zero green growth cooperation system in the Incheon City	36-47
Goal 14 	Life Below Water 14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.	Carrying out biodiversity conservation activities in the tidal flat area of Incheon City	48-50
Goal 16 	Peace, Justice and Strong Institutions 16.5 Substantially reduce corruption and bribery in all their forms.	- Revising manuals and procedures related to anti-corruption management - Ethics audit - Conducting compliance and ethics training	98-100

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Independent Assurance Statement

To: The Stakeholders of Celltrion, Inc.

Overview

BSI(British Standards Institution) Group Korea(hereinafter referred to as the "Assurer") was requested to verify the Celltrion ESG Report 2023/24(hereinafter referred to as the "Report"). The Assurer is independent of the Celltrion and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the Celltrion report relating to the environment, social and governance(ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the Celltrion and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

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

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

Scope

- The scope of engagement agreed upon with Celltrion includes the following:
- Reporting contents during the period from January 1st to December 31st 2023 included in the Report, Some data included half of 2024.
 - Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
 - Appropriateness and consistency of processes and systems for data collection, analysis and review.
 - In Accordance with the four principles of AA1000 AccountAbility in the Report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the Report.

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

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

Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 1(confirmation to the four principles as described in the AA1000 AccountAbility Principle 2018)

Description and sources of disclosures covered

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

[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, 203-1~2, 204-1, 205-1~3, 207-1~2, 207-4, 301-1, 302-1, 302-3~4, 303-2~5, 304-2, 305-1~5, 305-7, 306-3~5, 308-1~2, 401-1, 401-3, 404-1~3, 403-1~9, 405-1~2, 406-1, 413-1, 414-1~2, 416-2, 417-1

Methodology

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

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

Limitations and approach used to mitigate limitations

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



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Competency and Independence

BSI(British Standards Institution) is a leading global standards and assessment certification body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with 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.

Opinion Statement

The assurer was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that Celltrion's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated. On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

Conclusions

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

Inclusivity: Stakeholder Engagement and Opinion

Celltrion defined customers, employees, shareholders/investors, local communities, supplier, and central/local government as a Key Stakeholder Groups. In order to collect opinions by each stakeholder groups in the context of sustainability, operated the stakeholder engagement process. Celltrion conducted a review of the stakeholder engagement process at the monitoring the status of improvement activities, in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. Celltrion disclosed the results related to the process in the Report.

Materiality: Identification and reporting of material sustainability topics

Celltrion implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. Celltrion conducted global reporting standards analysis, benchmarking and media analysis, identified financial impact and social/environmental impact, and determined key issues for the reporting year through expert review of the impact. Celltrion derived 10 material issues through the relevant process, and disclosed GRI topic standards related to material issues in the Report.

Responsiveness: Responding to material sustainability topics and related impacts

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

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

Celltrion identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material issues reported. The impact of each major issue was reviewed by the ESG governance system. Celltrion established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material issues, disclosed mid- to long-term plans and strategic system in the Report.

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;
- In accordance with the requirements of international disclosure standards related to sustainability disclosure, It may be helpful to advance the sustainability management system by upgrading the measurement and management standards of sustainability performance within Celltrion's organizational boundaries, including subsidiaries of consolidated, and internalizing consolidated disclosure methodologies.

GRI-reporting

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

Issue Date: 21/06/2024

For and on behalf of BSI (Brithish Standards Institution):
BSI representative



[Signature]

Jungwoo Lee, Lead Assurer, ACSAP

[Signature]

Seonghwan Lim, Managing Director of BSI Korea

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Hold Statement Number: SRA 786674

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GHG Verification Report

CELLTRION INC.

The Korea Management Registrar Inc.(hereinafter “KMR”) has conducted the verification on the greenhouse gas(hereinafter “GHG”) emission(Scope 1,2,3) of CELLTRION INC.(hereinafter “the Company”) in 2023.

SCOPE

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

STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National GHG Inventories
- Guidelines for Reporting and Certification of Emissions under the GHG Emissions Trading System
- Guidelines for greenhouse gas target management operation, etc.
- WRI/WBCSD GHG Protocol

PROCEDURE

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

INDEPENDENT

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

LIMITATIONS

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

OPINION

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

GHG Emissions	Direct Emission (Scope 1)	Indirect Emission (Scope 2)	Other indirect Emission (Scope 3)	Total (tCO ₂ eq.)
2023	22,457	42,260	28,798	93,515
Energy consumption	Fuel	Electricity	Steam	Total (TJ)
2023	442	853	57	1,352

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

RESULTS

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

※ The abovementioned company is responsible for preparing verification data in accordance with the “Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System(Ministry of Environment Notice No. 2021-278)”, and KMR’s responsibility is limited to the party in the verification contract according to the agreed contract terms, and is not responsible for other decisions, including investment decisions based on this verification statement.

※ The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.



June 3rd, 2024
CEO Eun Ju Hwang

E J Hwang

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Awards

Category	Year	Details	Awarding Body
5th Korea KOSDAQ Award	2011	Won the Grand Prize(Minister of Knowledge Economy Award)	KOSDAQ 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 2023)

Organization	Unit	Amount
Incheon Chamber of Commerce & Industry	KRW million	107
Korea Exchange	KRW million	27
Korea Biomedicine Industry Association	KRW million	36
Korea Biotechnology Industry Organization	KRW million	33
Korea Listed Companies Association	KRW million	14
Korea AEO Association	KRW million	6
Medicines for Europe	KRW million	129
Others(Korea Chemicals Management Association, etc.)	KRW million	47
Total Expenditures	KRW million	399

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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.

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Article 5 (Responsibility)

This policy defines responsibilities as follows to ensure the purchase of eco-friendly raw materials and intermediary materials(capital goods) throughout the procurement operations for all employees.

① Procurement department

1. The procurement department prioritizes eco-friendliness in addition to quality and pricing to increase the procurement of green products.
2. The procurement department keeps track of the green products purchased to aggregate and disclose our performance and improvement achieved in green procurement.

② Requesting department(person)

1. The requesting department fully cooperates in eco-friendliness screening, promotion, training, certification support, and performance documentation as requested by the procurement department.
2. The requesting department considers giving priority to green products in making purchases unless there are special reasons.

Article 6 (Cooperation)

This policy demands that our employees proactively join in the voluntary efforts pursued by Celltrion for green procurement, and the procurement department may seek cooperation from relevant departments to expand the procurement of green products.

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 Multi-national 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, including suppliers, partners, customers, and local communities.

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.

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.

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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 Development Countries(LDC), Low-Income Countries(LIC), and Low and Middle-Income Countries(LMIC) can help improve access to medicines for vulnerable classes. Accordingly, we consider access to medicines in LDCs, LICs, and LMICs when filing patent applications in those countries.
- ⑨ We recognize the positive impact biosimilars and generic drugs have on improving access to medicines, and support healthy competition against industry peers.

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.

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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. Suppliers should ensure that places and containers where hazardous chemicals are used or stored are labeled with signs indicating their hazards to inform workers of the risk involved.

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, 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.

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Article 4 (Goals)

Celltrion aims to accurately identify information assets and personal information requiring protection, assess potential risk for the identified information, and implement appropriate protection measures to keep our information assets safe.

Article 5 (Organizational Structure)

- ① We establish a dedicated information security organization operated by the Corporate Sustainability Division under the direct leadership of the CEO, and appoint an executive-level Chief Information Security Officer(CISO) overseeing information security operations.
- ② We appoint the Chief Privacy Officer(CPO) based on his/her relevant expertise, and our CISO may also serve as the CPO.
- ③ The CISO, as the Chair of the enterprise Information Security Committee acting on behalf of the CEO, is mandated to execute the decisions made on enterprise information security investments and operations and to share the results of the meetings held. The Information Security Committee is composed of executives from respective business divisions.

Article 6 (Inspection and Management)

We appoint the information security leader to perform annual security audits with an aim to regularly inspect the security status of our information systems and information assets and to safeguard our information systems and information assets through systemic management. The information security leader performs oversight duties to take appropriate measures on the improvements identified through audit findings.

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 major shareholder, his/her spouse and immediate dependents, or non-dependent relatives are not the major shareholder.
 - 5. If the major 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 customers¹⁾ or suppliers²⁾.
 - 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 that undermine the independence of the Board of Directors.
 - 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.
- ③ Celltrion appoints independent directors to comprise a majority of the total directors pursuant to Korea’s Commercial Act.

- 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 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.

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