

A MORE BEAUTIFUL WORLD

About This Report

Purpose of the Report

Amorepacific Group publishes a sustainability report every year in order to present the results of its sustainability management activities. Through this report, we aim to transparently disclose the company's environmental, social, and governance achievements to all stakeholders, collect various opinions, and reflect them in our future management activities.

Reporting Standards

The 2023 Amorepacific Group Sustainability Report was prepared in accordance with 2021 GRI^{Global Reporting Initiative} Standards and SASB^{Sustainability Accounting Standards Board}'s standards for the Household & Personal Products industry, and financial performance was prepared based on K-IFRS consolidation, unless otherwise stated.

Reporting Scope

The scope of financial performance reporting was prepared on a consolidated basis and non-financial performance covers the company's consolidated subsidiaries (Amorepacific Group, Amorepacific, Innisfree, Etude, Amos Professional, Espoir, Osulloc, Osulloc Farm, Cosvision, Wedream, Green Partners, and overseas subsidiaries¹⁾). In the case of Amorepacific, the major subsidiary, the reporting covers domestic operations (Headquarters, R&I Center, HR Development Center, Regional Offices, Amore Beauty Park, Daily Beauty production site, and Healthcare production site) and some of its activities from overseas subsidiaries. For detailed reporting scope by indicator, please refer to the Reporting Methodology (p.109-112) in Chapter 4. ESG Factbook of this Report.

1) See 2023 Amorepacific Group Business Report p.328-330 'Current Status of Subsidiaries Subject to Consolidation'

Reporting Period

The reporting period is from January 1st, 2023 to December 31st, 2023. Depending on the importance and timeliness of the information, the Report presents some information pertaining to performances before 2023 or in the first half of 2024, and this is indicated separately in the Report. For quantitative performances, some items provide data for the last three years (2021-2023) or four years (2020-2023) to compare the trends by year.

Reporting Assurance

To increase the accuracy and reliability of this Report, the contents were verified by an independent third party assurance, Samil PwC, a verification expert agency. The verification was performed in accordance with ISAE 3000, and the detailed assurance statement is included in Chapter 5. Appendix.

Inquiries on the Report

If you have any questions about the Report, please email us at

Sustainability Management Center, Amorepacific
E-mail: csr@amorepacific.com

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Chapter 1

Our Company

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CEO Message

We Make
A MORE
Beautiful World

Dear Esteemed Stakeholders

For the past 78 years, Amorepacific Group has been dedicated to fulfilling our pledge: ‘We make A MORE beautiful world.’ We consistently met the expectations of our customers and the world, presenting beauty that leads the times and pioneering the future of beauty for humanity.

Since declaring our ‘Total Commitment Initiative’ that encompasses quality, service, and environment in 1993, the challenge of Amorepacific Group towards a sustainable world continues even after 30 years. Underneath the grand sustainability management goals ‘2030 A MORE Beautiful Promise,’ we have focused on the main pillars, ‘Move Forward Together with Customers and Society’ and ‘Coexist Responsibly with Nature.’ As a result, last year, we were recognized globally for our proactive response to the climate crisis, winning the RE100 Leadership Award, and we actively engaged in reducing plastic usage to promote sustainable consumption among our customers.

We live in an era of intense change and uncertainty. Amorepacific Group will harness our dynamic capabilities to transform ourselves in line with the trends of the world, thereby advancing brand values in a way that contributes to the era. With a sense of responsibility for the impact of corporate activities on the environment and society, we will continue to secure leadership in addressing climate crisis and resource recycling. We are committed to actively participating in accelerating the implementation of the Ten Principles of the UN Global Compact (UNGC) and the Sustainable Development Goals (SDGs) for 2030.

Even amidst rapidly changing circumstances, the founding spirit of ‘contributing to humanity with beauty and health’ remains unwavering. All members of Amorepacific Group will continuously contemplate our existence and role in the new world, and strive to expand the positive influence of beauty. We ask for your continued interest and support.

June 2024

Chairman & CEO



Corporate Overview

Company Information

Company Name	Amorepacific Group Co., Ltd
CEO	Suh Kyung-bae, Lee Sang-mok
Head Office Address	100, Hangang-daero, Yongsan-gu, Seoul (Hangang-ro 2-ga)
Revenues ¹⁾	4,021.3 billion KRW
Number of Employees ¹⁾	9,477 employees

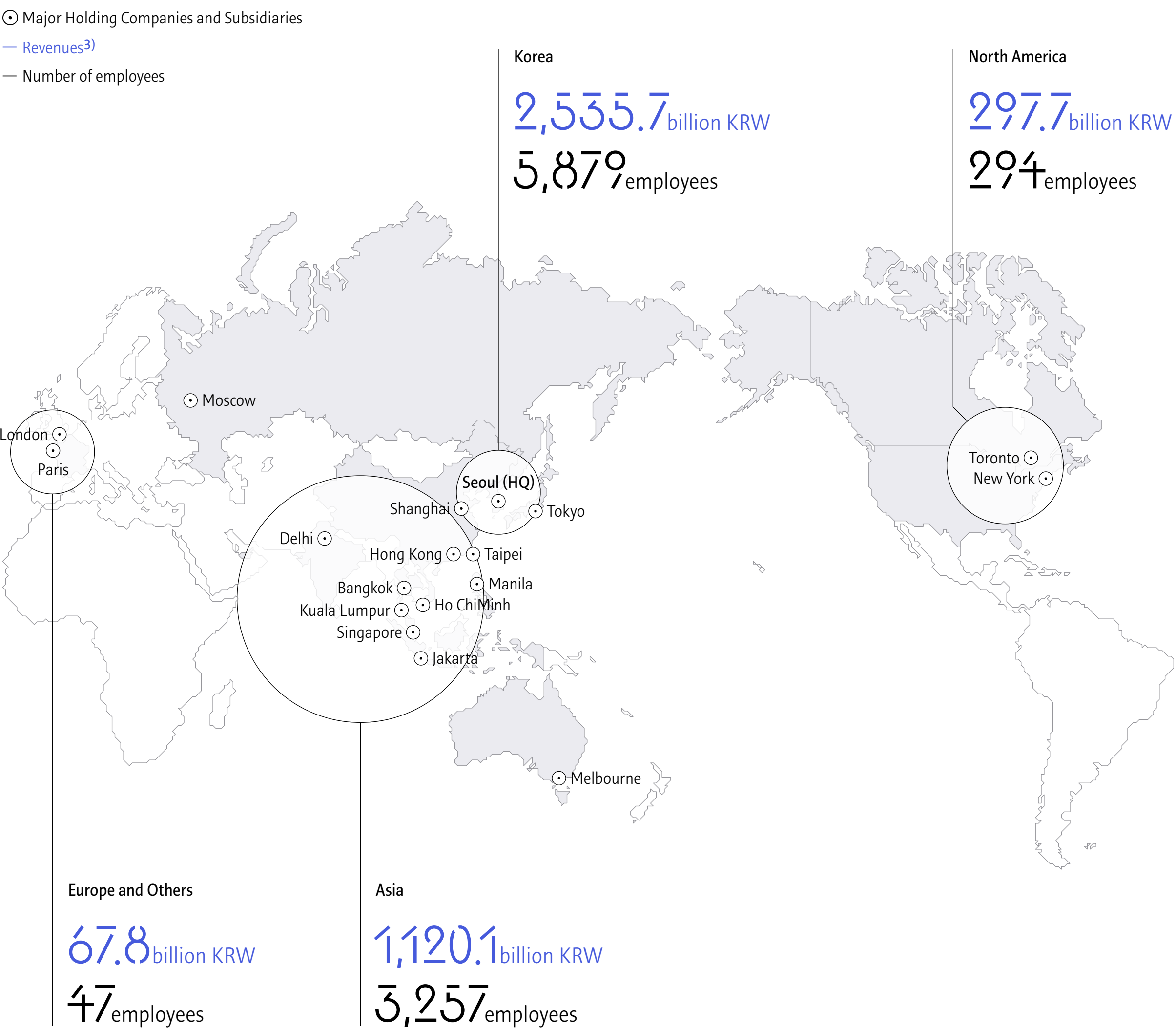
1) Revenues and number of employees as of December 2023

Sustainability Management External Performance²⁾

Amorepacific Group	Amorepacific
KCGS A	KCGS A
MSCI AA	MSCI A
FTSE4Good Inclusion for 12 Consecutive Years	CDP Climate Change A
	RE100 Leadership Awards Market Trailblazer

2) As of 2023

Global Network



3) Revenues figures are based on the 2023 consolidated financial statement of Amorepacific Group

Our Value System

Embracing the founding philosophy of “contributing to humanity with beauty and health,” Amorepacific Group is taking steps in the journey of beauty as “We make A MORE beautiful world”. Each brand, distribution channel and country plays different roles in the Group, but through sharing the “mission”-our reason of being, the “vision”-our direction forward, and “ABC spirits”-our judgment standard, we hope to keep our promises with the world.

Mission

WE MAKE
A MORE
BEAUTIFUL WORLD

Amorepacific Group has the mission to make A MORE beautiful world, and holds a firm belief that the world becomes more beautiful when each and every person shines with their own unique beauty. This is why we take this path.

Vision

Live Your
New Beauty

Inspires “New Beauty” in every individual customer to discover, live and enjoy a healthy, fulfilling life.

New Beauty inspired by life

Transcending the meaning of beauty in the narrow sense, Amorepacific expands the realm of beauty to the entire lifecycle of customers and their daily lives. We deliver wellness care for healthy and balanced inner & outer beauty and provide next generation beauty products with enhanced efficacy.

New Beauty created with Digital

By leveraging digital technologies and customer data, we provide hyper-personalized solutions, including customized cosmetics, across all touch-points. We deliver the optimal customer experience by building a closely knitted channel of communication with our customers.

New Beauty resonating with Empathy

Amorepacific respects the beliefs of individuals, diversity, and have a deep love for our planet. With strong compassion for humanity, we take care of and resonate with the entire corporate ecosystem. We communicate with key stakeholders and bring light to the beautiful values of coexisting and moving forward together.

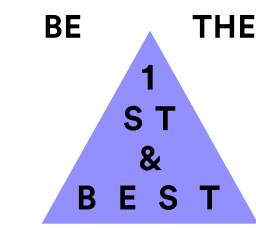
ABC Spirit



FIRST

Customers first

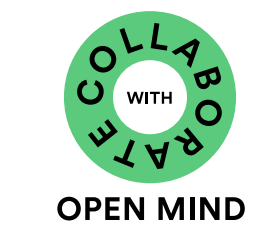
We analyze situations and issues from the perspective of our customers and prioritize customer satisfaction in decision making to ensure prompt actions.



BE THE

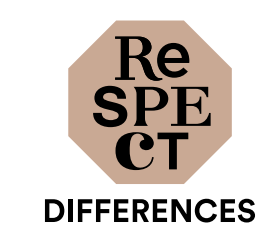
Be the first and the best

We continue taking bold initiatives without fear of failure to make innovations based on new ideas and methods as well as to achieve the highest quality.



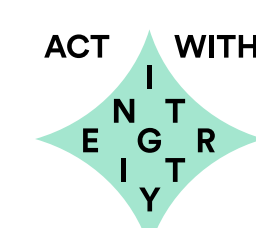
Collaborate with an open mind

To achieve common goals, we actively share information and constructively communicate with others beyond the boundaries of business divisions.



Respect differences

We respect differences, discover strengths in diversity, and act politely with one another.



Act with integrity

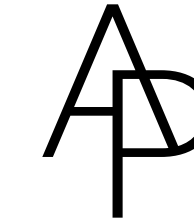
We connect our mission with our work, observe our principles, and complete our work with a responsible attitude.

Brand Portfolio

Sulwhasoo

LANEIGE

innisfree



H E R A

pmr

IOPE

MAMONDE

한글

ΔESTURΔ

espoir

ETUDE

RYO



LABO·H
[SCALP SKINCARE LAB]

AMOS
PROFESSIONAL

ILLIYOON



메디안

GOUTAL
PARIS

VITALBEAUTIE



makeON

B. READY

HOLITUAL
Holistic Rituals for Skin Wellness



Sulwhasoo

Building a World of Beauty, Powered by Art and Heritage

Sulwhasoo is the innovative artist in the field of beauty creating a work of art that transcends time and generations

us.sulwhasoo.com



LANEIGE

OPEN TO WONDER. LANEIGE

Endless Curiosity in the Pursuit of Beauty

us.laneige.com



innisfree

Effective, Nature-Powered Skincare Discovered from the Island

Innisfree, a high-efficiency naturalist brand that explores the infinite energy from nature to deliver healthy beauty

us.innisfree.com



APEX OF SKINCARE
APEX OF SKINCARE TO UNVEIL BEAUTY BEYOND

www.ap-beauty.com



HERA

HERE. NOW. MYSELF.
Contemporary Seoul beauty brand that defines and creates the latest vision of beauty

www.hera.com



All about skin barrier by SEED TECH™

www.primerabeauty.com



IOPE

A High-Efficacy Skincare Brand Delivering Visible Changes with Clinical Level Technology

www.iope.com



MAMONDE

Powered by Hyper Flora

www.mamonde.com



한울

Authentic Korean Beauty Ritual

www.hanyul.com



AESTURA

Providing Tangible Dermatological Solutions for Specific Skin Concerns Through Over 40 Years of Research in Medical Devices and Cosmetics

www.aestura.com



espoir

Esipoir, a makeup creation brand that inspires you to find your own look

www.espoir.com



ETUDE

MAKEUP PLAYLIST

www.etude.com



RYO

Root Your Own beauty

www.ryo.com



mise
scène
미장센

GLOBAL HAIR FASHION BRAND, Mise-enscène

www.miseenscene.com



LABO·H

[SCALP SKINCARE LAB]

Based on Amorepacific's skincare know-how, the Scalp Skincare Research Institute takes care of scalp problems and restores health.

www.laboh.co.kr



AMOS

PROFESSIONAL

Trendy & Trust Worthy Professional Hair Beauty

www.amosprofessional.com



ILLIYOON

A gentle, yet effective solution for sensitive skin, ILLIYOON

www.illyoon.com



HAPPY BATH

Daily body care brand with healthy ingredients and scents that add happiness to everyday life



메디안

Customized optimal dental solution



GOUTAL
PARIS

Scents of your life

www.goutalparis.com



VITALBEAUTIE

The beginning of healthy beauty

www.vitalbeautie.com



OSULLOC
오설록

Tea from Jeju Island

us.osulloc.com



makeON

Life-beauty device that promises better skin with new habits



B. READY

Friendly but with a unique taste, free and with a good sense, but not too much. A total styling brand for men who want to freely express their individuality

www.brdy-official.com



HOLITUAL
Holistic Rituals for Skin Wellness

Holistic Ritual for Skin Wellness

www.holitual.com



Key Business Performance

Amorepacific Group has strengthened brand competitiveness through the development of core categories and key products for each brand. We have also focused on restructuring our offline channels while concentrating on the growth of online and multi-brand shop channels, thus enhancing our business structure. Moreover, through the implementation of the ‘Global Rebalancing’ strategy, we have diversified our regional portfolio and further solidified the foundation for our growth in the global market.

Amorepacific

Domestic Cosmetics Business

Amorepacific has concentrated its efforts on securing the competitiveness of key products from its major brands and on bolstering responsiveness to core online and offline retail channels.

The leading brand, Sulwhasoo, has launched ‘First Care Activating Serum VI’ and ‘The Ultimate S Cream,’ along with its brand campaign. By providing a differentiated offline customer experience, such as renovating major department store counters, it has solidified its foundation as a luxury functional brand.

Laneige has reinforced its core product portfolio with the release of ‘Perfect Renew 3X Signature Serum’ and renewed ‘Neo Cushion,’ recording robust sales growth within domestic multi-brand shop channels.

Hera sustained a healthy performance in the makeup category with the launch of ‘Glow Lasting Foundation’ and recorded overall sales growth.

Aestura achieved remarkable results by diversifying into sun care and slow-aging categories with products like ‘Derma UV 365’ franchise and ‘Regederm 365 Skin Tightening Capsule Serum.’ With this change in product portfolio, and an increase in sales centered around the brand’s core products, Aestura achieved No.1 market share in Olive Young’s dermo-cosmetics category.

Additionally, Amorepacific is nurturing new growth categories such as inner beauty, home aesthetics brands, and men’s cosmetics.

Vital Beautie enhanced brand attractiveness with the renewal of its key product ‘Super Collagen’ and the launch of ‘Meta Green’ limited edition.

The home aesthetics brand Holitual posted strong revenue growth by focusing on door to door channel and generating new customer demand.

Men’s brands B.Ready and Odyssey also grew in sales with various new product launches, underpinning an aggressive approach to target men’s cosmetics market.



Sulwhasoo The Ultimate S Cream

Domestic Daily Beauty Business

The Daily Beauty brands have concentrated on nurturing core products and premium franchises. Ryo launched the premium anti-hair loss shampoo for women ‘ROOT:GEN,’ and recorded strong sales. Mise en Scène introduced the fundamental damage care franchise ‘Inner Flex’ utilizing salon bonding technology, and Longtake expanded its product portfolio and boosted its competitiveness with the launch of ‘Eau de Perfume’ and ‘Solid Perfume.’ Additionally, Illiyoony and Labo-H enhanced their brand attractiveness and achieved solid sales growth by collaborating with popular characters and forming cross-industry partnerships.



Illiyoony × Sanrio

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Amorepacific			Performance of Key Subsidiaries		
<div>Overseas Business</div> <div><div><p>Amorepacific has focused on executing a ‘Global Rebalancing’ strategy to diversify its global regional portfolio. Amorepacific has further solidified its foundation for global growth by strengthening its business capabilities within high growth potential regions such as Americas and EMEA¹⁾, and establishing close partnerships with retailers in these growth regions, and developing next global brands..</p><p>In accordance with this approach, North America has recorded high growth in total sales, fueled by the continued revenue increase of key brands such as Laneige, Sulwhasoo, and Innisfree. In particular, Laneige has led overall sales growth in North America by strengthening its competitiveness through the diversification of its lip category portfolio, including products like ‘Lip Sleeping Mask’ and ‘Lip Glowly Balm.’ Sulwhasoo and Innisfree have also posted solid sales growth, with the expansion of touchpoints in multi-brand shop channels and the enhancement of their brand competitiveness.</p><p>In the EMEA region, all brands achieved sales growth. Notably, Laneige continued to post high sales growth in the multi-brand shop channels with its new launch in the United Kingdom and the Middle East. Furthermore, by intensifying offline marketing efforts centered around key European cities, Laneige has successfully expanded its brand recognition and established a foundation for further growth.</p></div><div><p>Asia revenue declined due to the reduction in China sales. Efforts have been made to strengthen brand competitiveness in China and to establish a foundation for future growth. Sulwhasoo launched the ‘First Care Activating Serum VI’ and ‘The Ultimate S Cream,’ alongside an extensive rebranding campaign. The brand also appointed local ambassadors and enhanced customer communication to increase its competitive edge. Laneige posted sales growth through content enhancement centered around its key product, ‘Perfect Renew 3X Serum.’ Innisfree introduced the renewed ‘Green Tea Seed Hyaluronic Serum’ as a part of its rebranding campaign focused on reorganizing its product and channel portfolio, aiming to establish a foundation for qualitative growth. Other Asia, excluding China, grew in sales driven by Japan. In Japan, Laneige and Innisfree maintained robust sales growth, and growth momentum has expanded with new brand launches of Hera and Aestura. In the ASEAN market, sales for Laneige have increased due to strong sales of its key products.</p></div></div>			<div>InnisFree</div> <div>Innisfree reinforced its green tea product equity with the launch of ‘Vita C Green Tea Enzyme Brightening Serum,’ and ‘Collagen Green Tea Ceramide Bounce Cream.’ and strengthened its positioning as a highly effective, nature-powered skincare brand by rolling out ‘The New Isle’ rebranding campaign.</div>		
			<div>ETUDE</div> <div>Etude has strengthened its competitiveness in the major makeup categories through strong sales of its core products, ‘Curl Fix Mascara,’ ‘Fixing Tint,’ and ‘Contour Powder.’ The brand has also expanded sales by addressing the demand from foreign consumers with the opening of stores in tourist districts, and continuing robust sales growth in the multi-brand shop channels.</div>		
			<div>espoir</div> <div>Espoir has enhanced its product competitiveness through the release of new products such as ‘Be Velvet Cushion New Class’ and ‘Be Velvet Fluid Foundation.’ Additionally, by opening the Yeonnam Content Store the brand enhanced customer experience. Driven by strong sales performance in online and multi-brand shop channels, the overall revenue has increased, further solidifying Espoir’s position as a market leader, notably achieving the number one market share in the premium foundation category.</div>		
			<div>AMOS PROFESSIONAL</div> <div>Amos Professional has increased its brand attractiveness by launching a rebranding campaign for Amos Professional and expanding its beauty salon network activities through initiatives such as ‘Salon Connection 2023.’ Ayunchae has solidified its desirability among the MZ generation by enhancing the customer experience with popup salon venues and omni-channel events.</div>		
<div>OSULLOC 오설록</div> <div>Osulloc has diversified its product offerings and endeavored to spread tea culture by launching products that reflect customer trends, such as ‘Signature Earl Grey’ and ‘Honey Black Tea, 2 Types.’ The brand has seen an increase in overall sales with the renewal opening of Tea Museum in Jeju and the expansion of Tea House touchpoints.</div>					

1) Europe, Middle East, and Africa

1) Europe, Middle East, and Africa

Chapter 2

Our Approach to Sustainability

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Sustainability Management Implementation System

Amorepacific Group and Amorepacific have established and administered a transparent sustainability management implementation system by instituting the ESG Committee within the Board of Directors and the Sustainability Committee under the CEO. Through responsible management centered around the top decision making body, we have developed sustainability management strategies and directions for the Group and the subsidiaries. We are continuously monitoring the implementation performances.

Sustainability Management Governance

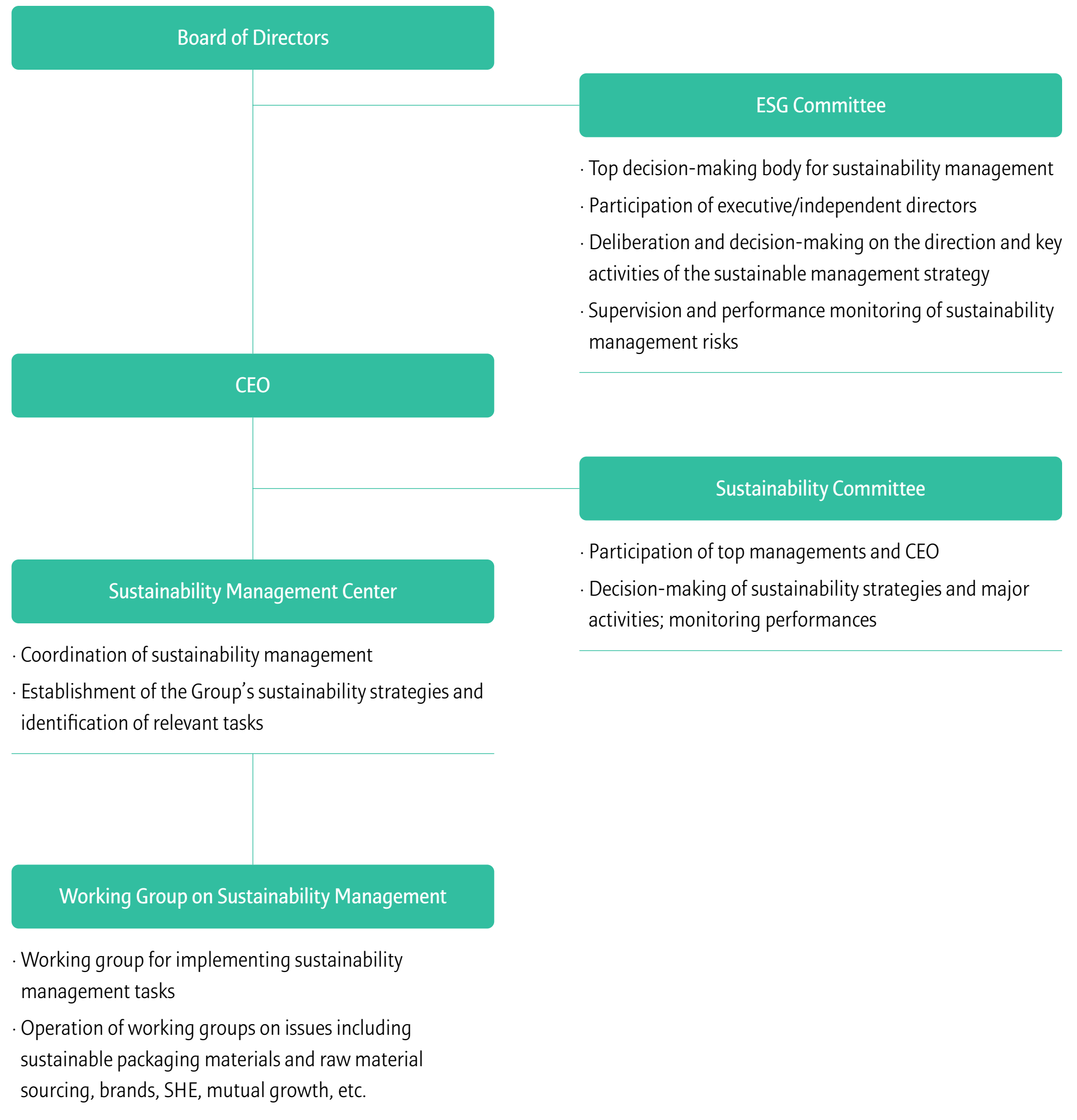
Amorepacific Group and Amorepacific have established a system to effectively implement sustainability management and are operating the ESG Committee under the Board of Directors as the top decision-making body. The ESG Committee manages and oversees ESG risks associated with the company, including issues related to climate change, resource circulation, supply chain sustainability, local community co-prosperity, consumer rights and interests, and ethical management. Furthermore, the committee establishes sustainability management strategies for the Group and regularly monitors related performances. In 2023, each ESG committee for Amorepacific Group and Amorepacific gathered for four sessions, where the Committee reported on sustainability management-related issues. It included the results of external ESG evaluation for 2022 and improvement plans, the outcomes of the materiality assessment and action items, the progress and plans for promoting diversity and inclusion, the current status and plans for the plastic strategy, and trends and response strategies for ESG disclosure.¹⁾

The Sustainability Committee is a top executive consultative body where the CEO and top executives regularly hold meetings to discuss sustainability management issues and monitor progresses on core tasks. In 2023, the Sustainability Committee was convened once in the first half of the year. During this meeting, there was a presentation and discussion on the targets and achievements related to the 3R of plastic Reduce, Recycle, Reuse.

Sustainability Management Center serves as a coordinator for the implementation of sustainability management. It identifies specific sustainability management strategy tasks and transparently communicates the company’s sustainability management performances with internal and external stakeholders through the publication of sustainability reports. In the case of sustainability management strategy tasks, close cooperation between various departments is particularly essential, and therefore the implementation of the tasks is facilitated through working groups.

1) Reported comprehensive evaluation results needed for publishing the ‘2023 Sustainability Report,’ to the Board in the first half of 2024

Sustainability Management Organization Chart



2030 A MORE Beautiful Promise

Amorepacific has declared its sustainability management goal under the title “2030 A MORE Beautiful Promise,” to fulfill its calling to make people and the world beautiful. Based on two pillars, “Move Forward Together with Customers and Society,” and “Coexist Responsibly with Nature,” we will contribute to the creation of a sustainable society by fulfilling our five promises.

Strategies to Drive Sustainability Management in Amorepacific



1) The target for achieving carbon neutrality will be re-disclosed in the future, as we are currently in the process of revising our previously established 2030 goal for carbon neutrality at global production sites (including scope 1 and 2 emissions) to include supply chain emissions (scope 3) according to the SBTi Net-Zero standards

2) Sustainable palm oil certification group established to prevent environmental destruction from palm oil production

<div> <div> <div></div> <div></div> </div> <div>18</div> </div>	Chapter 1. Our Company	Chapter 2. Our Approach to Sustainability	Chapter 3. Our Performance	Chapter 4. ESG Factbook	Chapter 5. Appendix
2023 Progress – Move Forward Together with Customers and Society					
5 Promises	2030 Goals	2023 Key Achievements	Achievement rate compared to the 2030 targets		
<div> <div>Promise 1</div> <div> Instill the values of environmental and social friendliness into 100% of our new products and pursue endeavors that encourage sustainable living. </div> </div>	<div> <div> <div></div> <div>Instill the values of environmental and social friendliness into 100% of our new products</div> </div> </div>	<div> <div> <div></div> <div> 91.8% of the new products launched in 2023 have environmentally-socially friendly attributes </div> </div> <div> <div></div> <div>The proportion of new products using recycled plastics has increased by more than six times compared to 2022</div> </div> <div> <div></div> <div>The proportion of new products that reflect value-based consumption trends, such as vegan-certified products and refill products, has increased by 35% compared to 2022</div> </div> </div>	91.8%	<div> <div></div> <div></div> </div>	100%
	<div> <div> <div></div> <div>Conduct life cycle assessments to help reduce the environmental footprint of all our new products</div> </div> </div>	<div> <div> <div></div> <div>Participation in EcoBeautyScore Consortium to assess and grade the environmental footprint of major products, and execute the Real Data Testing Phase</div> </div> <div> <div></div> <div>Update on the cosmetic environmental footprint measurement methodology and database with EcoBeautyScore Consortium</div> </div> <div> <div></div> <div>Development of a preliminary online assessment tool for the implementation of the EcoBeautyScore methodology</div> </div> </div>			
	<div> <div> <div></div> <div>Seek technological innovations in Green Chemistry</div> </div> </div>	<div> <div> <div></div> <div>Development of three green chemistry materials and processing technologies (cumulative total of 7 cases)</div> </div> <div> <div></div> <div>Development of new multi-purpose functional skincare material manufacturing technology, through the upcycling of camellia oil cake (Certified Green Technology)</div> </div> <div> <div></div> <div>Development of upcycling technology for red ginseng by-products and creation of Sphere Platform (manufacturing technology for porous organic/inorganic composite powders)</div> </div> </div>	7cases	<div> <div></div> <div></div> </div>	16cases
	<div> <div> <div></div> <div>Conducted brand campaigns that promote responsible consumption</div> </div> </div>	<div> <div> <div></div> <div>Implementation of regular coastal clean-up projects by forming a partnership with WWFWorld Wildlife Fund Korea to adopt Cheongpodae Beach in Taeon Coastal National Park</div> </div> </div>			
<div> <div>Promise 2</div> <div> Promote diversity and inclusion across all our global workplaces and beyond, while seeking harmonious growth with all our stakeholders. </div> </div>	<div> <div> <div></div> <div>Operate education and awareness improvement programs on diversity & inclusion for all employees</div> </div> </div>	<div> <div> <div></div> <div>46.7% of all domestic employees have completed diversity & inclusion education and awareness improvement programs</div> </div> <div> <div></div> <div>Provision of lectures, and training sessions on diversity and inclusion, as well as publication of related beauty communication guides</div> </div> </div>	46.7%	<div> <div></div> <div></div> </div>	100%
	<div> <div> <div></div> <div>Develop beauty products based on diversity and inclusion, and roll our related campaigns</div> </div> </div>	<div> <div> <div></div> <div>Production and distribution of universal design stickers for the visually impaired and people with low vision</div> </div> <div> <div></div> <div>Launch of Mise-en-scène professional franchise with embossed design for clear differentiation between shampoo and conditioner containers</div> </div> </div>			
	<div> <div> <div></div> <div>Invest KRW 70 billion to support the financial independence of socially vulnerable groups</div> </div> </div>	<div> <div> <div></div> <div>Investment of KRW 5.07 billion to support financial independence (Cumulative total of KRW 15.08 billion)</div> </div> <div> <div></div> <div>Provision of job exploration education and on-site training opportunities to aid young people’s economic independence, operation of ‘Hope Store’ as a business loan support project for the independence of single-parent women, conducting strategic item donation, etc.</div> </div> </div>	KRW 15.08billion	<div> <div></div> <div></div> </div>	KRW 70billion
	<div> <div> <div></div> <div>Invest KRW 30 billion to promote healthy lives and cultural initiatives among citizens</div> </div> </div>	<div> <div> <div></div> <div>Investment of KRW 1.57 billion to promote the citizens’ healthy living and cultural dissemination (Cumulative total of KRW 5.37 billion)</div> </div> <div> <div></div> <div>Operation of ‘Look at ME’ youth mental health support project and ‘AMORE YOUTH,’ a public mental health initiative for young individuals, as well as fostering and investment in environmental social ventures through ‘A MORE Beautiful Challenge’ etc.</div> </div> </div>	KRW 5.37billion	<div> <div></div> <div></div> </div>	KRW 30billion

2023 Progress – 대자연과의 공존

5 Promises	2030 Goals	2023 Key Achievements	Achievement rate compared to the 2030 targets		
<div><div>Promise 3</div><div>By 2025, achieve RE100 and accomplish zero waste to landfill across all business sites worldwide.</div></div>	<div><div></div><div>· Use 100% renewable electricity at all global business sites by 2025</div></div>	<div><div></div><div>· Conversion of 51.4% of Amorepacific’s electricity usage to renewable energy through self-generated solar power, PPA contracts, green tariffs, and purchase of RECs (Renewable Energy Certificates)</div><div>· Attainment of RE100 status at the facility level for Osan Amore Beauty Park, Daejeon Daily Beauty site, and Shanghai Beauty site</div></div>	51.4%	<div><div></div></div>	<div>2025 Goals</div> <div>100%</div>
	<div><div></div><div>· Convert all domestic distribution vehicles into eco-friendly vehicles</div></div>	<div><div></div><div>· Conversion of eight electric vehicles in Incheon Logistics Center</div></div>	7.9%	<div><div></div></div>	100%
	<div><div></div><div>· Achieve zero-waste-to-landfill at global production sites</div></div>	<div><div></div><div>· Reached zero landfill disposal of waste at global production sites</div><div>· Acquirement of Zero Waste Classification for Osan Amore Beauty Park, Daejeon Daily Beauty production site, and Cosvision production site</div></div>	100%	<div><div></div></div>	100%
<div><div>Promise 4</div><div>Reduce the use of plastics in product packaging and create 100%reusable, recyclable or compostable plastic packaging materials.</div></div>	<div><div></div><div>· Design all plastic packaging materials to be 100% recyclable, reusable, or compostable</div></div>	<div><div></div><div>· The evaluation results on the ease of packaging material recycling demonstrated that 32.6%¹⁾ of plastic packaging materials obtained grades above “normal”</div></div>	32.6%	<div><div></div></div>	100%
	<div><div></div><div>· Use recycled or bio-based plastics for 30% of all plastic packaging</div></div>	<div><div></div><div>· 23.8%¹⁾ of total plastic used consisted of recycled or bio-based plastic (1,735 tonnes of recycled plastic within a total of 7,303 tonnes of plastic used)</div></div>	23.8%	<div><div></div></div>	30%
<div><div>Promise 5</div><div>Invest KRW 10 billion into the conservation and sustainable use of biodiversity and increase the use of RSPO-certified palm oil to 90% or more by 2023.</div></div>	<div><div></div><div>· Invest KRW 10 billion into biodiversity conservation efforts and climate change adaptation technologies</div></div>	<div><div></div><div>· Investment of KRW 940 million for the conservation of biodiversity and its sustainable use (with a cumulative investment of KRW 3.26 billion)</div><div>· Performance of a joint study with National Institute of Biological Resources and Baekdudaegan National Arboretum to discover the hidden values of indigenous plant resources on the Korean Peninsula</div></div>	KRW 3.26 billion	<div><div></div></div>	KRW 10 billion
	<div><div></div><div>· Increase the use of RSPO-certified palm oil to 90% or more by 2023</div></div>	<div><div></div><div>· Out of the total 16,797 tonnes of palm-derived ingredients used in 2023, 91.5% was RSPO-certified palm oilCSPO MB</div></div>	91.5%	<div><div></div></div>	<div>2023 Goals</div> <div>90%</div>

1) Aggregated data based on the domestic Extended Producer Responsibility (EPR) for 2023

Stakeholder Engagement

Amorepacific Group defines customers, employees, shareholders/investors, local communities, business partners, and relevant institutions and associations as its six stakeholders, and operates communication channels tailored to each stakeholder’s characteristics. Through transparent communication, the major issues and needs of each stakeholder are identified and reflected in management activities, and a consensus on sustainability management is formed.

Stakeholders	Key Communication Channels	Frequency	Key Focus Issues	Key Response Activities
Customers	Corporate website, brand website	On demand	<div><div>· Accurate and rapid delivery of corporate information</div><div>· Safe product usage and accurate product information delivery</div><div>· Customer engagement and voice listening</div></div>	<div><div>· Enhanced Provision of quality and safety information on the corporate website</div><div>· Launch of the corporate story platform ‘AMORE STORIES’ and strengthening of contents catered to the MZ generation</div><div>· Enhancement of corporate communication contents encouraging customer and stakeholder participation</div><div>· Resolution and management of customer VOC</div></div>
	Corporate story platform – AMORE STORIES	On demand		
	Corporate and brand social media channels (YouTube, Instagram, etc.)	On demand		
	Amore Mall, ARITAUM Mall	On demand		
	Customer service centers for each brand	On demand		
Employees	Employee engagement survey	Once a year	<div><div>· Disseminating a culture of trust and respect</div><div>· Enhancing the propagation and communication of corporate value</div><div>· Forming harmonious labor-management relations</div><div>· Creating a healthy and ethical work environment</div></div>	<div><div>· Expansion of interactive communication platforms including the new launch of ‘Team AMORE Board’</div><div>· Expansion of executive town hall meetings to include the global subsidiaries</div><div>· Enhancement of communications pertaining to corporate vision and growth</div></div>
	Labor-management council, labor union	On demand		
	Management town hall meetings	On demand		
	All employee session – Team Amore Conference	Once a year		
	In-house online live broadcasting - AMORE Blooming	Once a month		
	In-house anonymous bulletin board – Team AMORE Board	On demand		
	Business communication platform – Workplace	On demand		
	Ethics Hotline	On demand		
Shareholders/ Investors	Annual general shareholders’ meeting	Once a year	<div><div>· Building appropriate corporate values</div><div>· Enhancing shareholder values</div></div>	<div><div>· Release of quarterly and annual earnings</div><div>· Sharing of mid-to long-term business strategies</div><div>· Presenting market trends and outlook</div></div>
	Quarterly earnings release conference calls	Once per quarter		
	Domestic/overseas investor conferences and NDRNon-Deal Roadshow	Two or three times per quarter		
	Investor/Analyst Day	Once a year		
	Business reports	Once a year		
	Face-to-face meetings and conference calls for investors	On demand		
	IR website and IR official email account	On demand		
	e-Disclosure system	On demand		
Local communities	Local consultative meetings	On demand	<div><div>· Mutual growth with local communities</div></div>	<div><div>· Implementing community-based problemsolving initiatives (Agreement with Seoul City on youth mental health, employee community support efforts, and traditional market revitalization initiatives, etc.)</div></div>
	Foundation BOD meetings	Once a year		
	Yongsan Dragons activities	Once per quarter		
Business partners	Supplier perception survey	Once a year	<div><div>· Strengthening and supporting the competitiveness of business partners</div></div>	<div><div>· Establishing a participatory strategy for store managers</div><div>· Strengthening communication at all times</div></div>
	ARITAUM business practice seminars	Once a year		
	Innovation committee	Twice a year		
Relevant institutions/ Associations	Dialogues with stakeholders	On demand	<div><div>· Responding to changes in government policies</div><div>· Participating in achieving 2030 AMBP</div></div>	<div><div>· Participating in decision-making processes related to government policies</div><div>· Joining associations and declaring support for important initiatives (including UNGC)</div></div>
	Collaboration and support	On demand		
	Korea Cosmetic Association member company	On demand		

Materiality Analysis

Amorepacific Group conducts an annual materiality assessment to identify topics that require prioritized responses among various ESG topics related to our business. The identified material topics from the assessment are reported as key topics in the sustainability report and related response activities and performances are transparently disclosed to stakeholders.

Materiality Assessment Process

2023 Sustainability Report contains material topics derived, based on the prioritizing principle of GRI^{Global Reporting Initiative}, an international standard for sustainability reporting. Among the various impacts of Amorepacific Group’s business activities on the external environment, including the economy, environment, and society, specific high-impact topics were selected as material topics, and a three-step process was introduced to evaluate the level of impact in depth.



STEP 1

Determination of ESG Topics

Determine ESG topics associated with the business

- List topics related to sustainability management
- Reflect global sustainability reporting standards(GRI, SASB, etc.) and evaluation criteria (MSCI, DJSI, CDP, etc.) that include cosmetic industry-specific topics, cosmetic industry’s current status, and the focus areas of Amorepacific 2030 A MORE Beautiful Promise
- Determination of a total of 12 ESG topics

STEP 2

Identification of Impact

Identify the impact of Amorepacific Group’s activities on the environment and society

- Identify the positive-negative, or actual-potential impacts of Amorepacific Group’s activities related to the topics, on the environment and society
- Basis for identification
 - Policy and regulatory status, investor inquiries, media analysis, BOD Agenda Items, stakeholders’ opinions
- Identification of a total of 18 impact areas

STEP 3

Assessment of Impacts

Assess each level of impact and select material topic

- Conduct evaluations by stakeholders (shareholders and investors, academia, consultants, partners, employees, etc.)
- Evaluation criteria
 - Scale, scope, calibration potential (for negative impact assessment), occurrence potential (for potential impact assessment)

Materiality Assessment Results

As a result of the analysis, from the total of 12 ESG topics, two of the most influential (environmental impact of packaging materials, response to climate change and energy management) were selected as material topics.¹⁾



1) Compared to the previous year, ‘Biodiversity Conservation’ has been added as an ESG topic, ‘Energy Use’ has been expanded to ‘Response to Climate Change and Energy Management,’ and ‘Organization and Operation of the Board of Directors’ has been broadened to ‘Healthy Governance Structure.’

■ Materiality Topics ●●● High ●●○ Medium ●○○ Low

Priority	Categorization	Topics	Major Impact	Impact type	Level of Impact
1	Environmental	Environmental Impact of Packaging Materials	Cutting down on carbon emissions by reducing the use of plastic packaging materials and converting to recycled-biomaterials	Positive	●●●
			Improving the domestic waste recycling rate by enhancing the product packages’ ease of recycling and developing reusable containers	Positive	
2	Environmental	Response to Climate Change and Energy Management	Reduction of carbon emissions through the increased use of renewable energy	Positive	●●●
3	Environmental	Waste Recycling	Establishing a circular economy through waste recycling and achieving zero-waste-to-landfill	Positive	●●○
4	Environmental	Supply chain greenhouse gas	Minimizing environmental impacts by reducing carbon emissions across the supply chain	Positive	●●○
			Increasing the burden on suppliers with the strengthened of demands for their carbon emission reduction	Negative	
5	Environmental	Hazardous Chemicals	Increasing consumers’ sense of security and protecting the environment by reducing substances of high-concern when developing products	Positive	●●○
6	Environmental	Sustainable Products and Services	Disseminating sustainable lifestyles among consumers by providing products that reflect environment and social values	Positive	●●○
			Improving the product environmental impact through the use of sustainable resources and measuring the carbon emissions and water usage of product’s entire lifecycle	Positive	
7	Social	Supplier ESG	Empowering ESG capabilities within the supply chain	Positive	●●○
			Increasing environmental and social impacts due to the negligence of supplier ESG management	Negative	
8	Environmental	Biodiversity Conservation	Strengthening research on biodiversity conservation and community engagement activities	Positive	●●○
9	Social	Industrial Safety	Ensuring a safe working environment through accident and disaster prevention measures	Positive	●●○
			Increasing accident rates due to the failure to reinforce safety culture within the local community where the business is located	Negative	
10	Governance	Healthy Governance Structure	Promoting shareholders’ trust by securing the expertise of the board	Positive	●●○
			Decreasing social utility, due to prioritization of opinions from a minority of stakeholders, as a result of failing to ensure board diversity	Negative	
11	Governance	Anti-Corruption Prevention	Creating an unethical trading order and undermining shareholder values	Negative	●○○
12	Environmental	Water Usage	Escalation of water stress and exacerbation of water scarcity in the local community	Negative	●○○

Material Topic Management

Amorepacific Group has established a management system to reduce the environmental and social impact of company’s activities related to material topics. We have strengthened the management of material topics through continuous monitoring, and transparently communicated the performance outcomes the stakeholders.

Definition of the Top Two Material Topics of 2023

1

Environmental Impact of Packaging Materials

Amorepacific Group is engaged in activities to improve resource circulation by reducing the environmental impact of packaging materials through lightweighting, utilizing recyclable·bio based materials, and enhancing recyclability, as well as by reducing waste disposal during the production and usage stages of Amorepacific Group’s products

2

Response to Climate Change and Energy Management

Amorepacific regularly measures the energy consumption at its headquarters and production sites. It establishes management goals to reduce energy consumption and to increase the use of renewable energy, and closely monitors the progress and performance of these goals

Material Topic	Related business scope			Area of impact
	Business operation	Products and services	Supply chain	
Environmental Impact of Packaging Materials		●	●	Environmental
Response to Climate Change and Energy Management	●	●	●	Environmental

Material Topic Management Scheme¹⁾

Governance

Under the environmental management promotion system, material topics are managed as key agendas. The Board of Directors, the top decision-making body, oversees related goals and implementation results. The Group reports relevant performances and plans to the Board of Directors annually, in accordance with environmental safety regulations, and the Board makes final decisions. In particular, the Carbon Neutrality Committee operates at least once a year to discuss specific issues related to climate change response and energy management. In addition, the ESG Committee under the Board regularly sets the overall strategic directions for environmental management, including material topics, deliberates and decides on key activities.

The CEO, who has a responsibility of the overall environmental management of the company, sets management goals for the two material topics, and manages and supervises activities to implement them. Sustainability Committee, also led by the CEO, establishes relevant strategies and periodically monitors the progress on the implementation of the strategy. In particular, Amorepacific Group has identified the financial impact of regulations and policies related to packaging, climate change response, and energy management, and is integrating these insights into its management strategies.

Management Working Groups for each agenda support the implementation of strategic tasks. Additionally, the Environmental/Energy Subcommittee, composed of company-wide environmental and energy managers, monitors key achievements related to energy usage at each business site and identifies additional tasks for improvement.

Board of Directors

CEO

Sustainability Management Center

ESG Committee

Sustainability Committee

- Coordinates company-wide environmental management
- Sets goals regarding the two material topics, reviews environmental management performances, and manages-supervises activities
- Oversees environmental management goals and implementation results, including the two material topics
- Establishes the direction of environmental management strategies, deliberates and makes decisions on major activities
- Establishes environmental management strategies and identifies tasks related to the two major topics
- Formulates detailed strategic tasks for each subsidiary of the Group regarding the two material topics on environmental management
- Implements strategic tasks and monitors key performance outcomes
- Establishes the environmental management strategy
- Monitors the performance of key environmental management activities
- Operates the Carbon Neutral Committee

1) The material topic management framework is based on the key elements of the Sustainability Disclosure Standards S1 (General Requirements for the Disclosure of Sustainability-Related Financial Information) of the International Sustainability Standards Board (ISSB) under the IFRS Foundation

Material Topic Management Scheme

Strategy 1

Environmental Impact of Packaging Materials

Related 2030 A MORE Beautiful Promise

Promise 4

Reduce the use of plastics in product packaging and create 100% reusable, recyclable or compostable plastic packaging materials.

Detailed Strategies

Operating the 4RReduce, Recycle, Reuse, Return Strategy

Amorepacific Group has established a 4R strategy for packaging materials to reduce unnecessary use of plastic, improve recyclability, reuse and have the empties returned, to build a plastic circular economy model.

Based on the 4R strategy, we will encourage the use of reusable or recyclable packaging materials through various program operations to gradually reduce virgin plastic packaging. We will also continue to invest resources in research and development of environmentally friendly packaging materials. To improve the efficiency of managing raw materials for plastic packages, we have established a detailed KPI¹⁾ for related objectives at the brand level and we plan on actively managing the environmental impact of the packaging materials.

1) Plastic Performance Management Indicators: Total amount of plastic used, Amount of recycled plastic used, Results of the recyclability ease grade assessment

Strategy Implementation Status

REDUCE

Reduce the Use of Virgin Plastics

- 1

In 2023, Amorepacific reduced the use of virgin plastic by 1,900 tonnes, through efforts such as the expanded use of recycled plastic and packaging lightweighting.
- 2

Laneige introduced a refill package with the renewal of ‘Water Bank Blue Hyaluronic Cream Moisturizer.’ This renewal has the effect of reducing plastic usage by 70% compared to the original product. ‘Lip Sleeping Mask EX’ expects to achieve an annual reduction of approximately 7.3 tonnes of plastic by eliminating the inner seal. Additionally, Laneige applied 100% recycled plastic to the container (excluding the cap) of ‘Blue Energy Essence in Lotion EX,’ and 50% recycled plastic to the external container of the main product (excluding refill) of ‘Neo Cushion.’
- 3

Hera removed unnecessary plastic (elimination of the molded base of the glass container and cap decoration) from the containers of ‘Glow Lasting Foundation’ and ‘Silky Stay Foundation,’ and has applied 50% recycled plastic to the caps.
- 4

Primera replaced the existing plastic inner cap, which serves to protect the contents, with an aluminum seal for its ‘Youth Radiance Power Moisturizing Cream’ in an effort to reduce plastic usage. This change is expected to result in an annual reduction of approximately 38kg of plastic.



2

Laneige Water Bank Blue Hyaluronic Cream Moisturizer

3

Hera Glow Lasting Foundation, Hera Silky Stay Foundation

4

Primera Youth Radiance Power Moisturizing Cream

Material Topic Management Scheme

Strategy Implementation Status

RECYCLE

Improve Packaging Recyclability

- 1 Innisfree's 'Green Tea Hyaluronic Skin Lotion' was launched with a package that received 'excellent grade' in ease of recycling assessment by the Ministry of Environment. Both the cap and the container are made of a single-material, PP (polypropylene), which facilitates its disposal, and the cap has been made using 30% recycled plastic.
 - 2 Mamonde launched the 'Blue Azulene Cloud Toner Refill' pouch, which has improved recyclability and received 'excellent grade' for recycling from the Ministry of Environment. Purchasing this product has the effect of reducing plastic usage by 88% compared to the original product.
 - 3 VitalBeautie undertook a package renewal of its liquid ampoule products to improve recyclability. Starting with "Meta Green Booster Shot," the plastic containers of the "Super Collagen" franchise, "Women Balance Platinum," and "Slimmer DX" have been changed from PET-PEN¹⁾ to PET. Furthermore, shrink labels that peel easily have been applied, thereby enhancing the recyclability of the products..
- 1) To compensate for the heat vulnerability of PET, PEN is added to create a composite material that enhances thermal resistance. However, this incorporation makes recycling of the composite material more challenging due to its complex nature.



1 Innisfree Green Tea Hyaluronic Skin Lotion



2 Mamonde Blue Azulene Cloud Toner Refill



3 VitalBeautie Super Collagen

REUSE

Expand the Reuse of Plastic Packages

- 1 Sulwhasoo's "The Ultimate S Cream" utilizes refillable cream jar, which is designed to allow the inner pod to be replaced with a refill after the product is used, while the outer container can be reused. Additionally, when using the refill, there is a significant reduction in the amount of plastic used compared to the original product. Specifically, for the 60ml product, there is a 52% reduction, and for the 30ml product, there is a 55% reduction in plastic usage
- 2 Hanyul transitioned from using the regular plastic containers for its 'Pure Artemisia Calming Water Cream' and 'Red Rice Moisture Firming Cream' to lightweight glass jars. Furthermore, these jars have been designed to incorporate a reusable function by fitting them with a dedicated refill capsule, allowing the containers to be reused. Additionally, the caps, covers, and the refill capsule containers are made with 100% recycled plastic.



1 Sulwhasoo The Ultimate S Cream



2 Hanyul Pure Artemisia Calming Water Cream

RETURN

Active Collection of Cosmetic Empties through Empty Bottle Collection Campaign

- 1 In 2009, Amorepacific Group initiated the empty bottle collection campaign, collecting and recycling empty plastic and glass cosmetic bottles. By 2023, a cumulative total of approximately 2,592 tonnes of empty bottles had been collected, with 119 tonnes counted in 2023 alone. In particular, Amorepacific expanded its existing offline bottle collection service to include online platforms (through Amore Mall) with the launch of 'AMORE:CYCLE' campaign, starting in January 2024, substantially enlarging the range of items that can be recollected. This initiative is intended to increase the proportion of plastic that is actually recycled. Additionally, the collectible items have expanded beyond just plastic and glass skincare containers to include personal care items such as haircare, body care, hand care, some makeup products like cushions, compact foundation, and even perfumes. Moreover, Innisfree also commenced its representative eco-friendly initiative, the 'BOTTLE RE:PLAY' campaign, starting from January 2024. Innisfree has been rigorously running this campaign for resource circulation since 2003, and from 2011 to 2023, it collected and recycled approximately 1,244 tonnes of plastic and glass bottles.



1 AMORE:CYCLE Campaign



BOTTLE RE:PLAY Campaign

<div><div><div></div><div></div></div><div>26</div></div>	Chapter 1. Our Company	Chapter 2. Our Approach to Sustainability	Chapter 3. Our Performance	Chapter 4. ESG Factbook	Chapter 5. Appendix
Material Topic Management Scheme					
<div>Strategy 2</div> <div>Response to Climate Change and Energy Management</div>	Related 2030 A MORE Beautiful Promise		Strategy Implementation Status ¹⁾		
	Promise 3		Approaches to Achieve RE100		
	By 2025, achieve RE100 and accomplish zero waste to landfill across all business sites worldwide.				
	Detailed Strategies				
100% Renewable Energy Procurement					
<p>Amorepacific became the first South Korean company in the beauty industry to join the global RE100. RE100 is a global initiative to procure 100% of the electricity used, from renewable energy. Amorepacific is actively promoting the transition to renewable energy through various available means in South Korea, aiming to achieve RE100 in 2025. In particular, we are carrying out activities that reduce our energy usage while increasing energy efficiency, such as expanding the application of low-energy processing technology, manufacturing products at low temperatures.</p> <p>Additionally, we have expanded the on-site power generation facilities within our business premises to produce and use renewable energy independently. As external procurement mechanisms for this initiative, we have secured renewable energy through various methods such as direct and indirect PPAs¹⁾, VPPAs²⁾, green premium plans, and certificate purchases. We have established energy-saving plans suitable for the characteristics of each workplace and are continuing to invest in renewable energy. Furthermore, at each business site, we manage energy usage-related metrics as essential KPIs. In addition, to extend climate action initiatives across the entire value chain, we have calculated the Scope 3 emissions of our full supply chain and set reduction targets in line with the SBTi³⁾ criteria to limit global temperature rise to 1.5 °C. We also aim to flexibly respond to long-term changes by analyzing the socio-economic changes and the impact on business activities caused by climate change, and establishing a climate transition plan.</p>					
<div><div>1) PPA(Power Purchase Agreement)</div><div>2) VPPA(Virtual Power Purchase Agreement)</div><div>3) SBTi(Science Based Targets initiative)</div></div>					
		<div>RE100 Implementation Roadmap</div> <div><div><div>0.4%</div><div>2011</div></div><div><div>4.9%</div><div>2020</div></div><div><div>18.5%</div><div>2021</div></div><div><div>34.1%</div><div>2022</div></div><div><div>51.4%</div><div>2023</div></div><div><div>70%</div><div>2024 Target</div></div><div><div>100%</div><div>2025 Target</div></div></div> <div><div>2023 Target</div></div> <div>1) Results of Amorepacific</div>			

Material Topic Management Scheme

Risk Management

Amorepacific Group operates a company-wide integrated risk management system that identifies potential risks throughout the business, and prevents and manages the identified risks. We evaluate the extent of the impact of the potential risk according to the risk management process from “limited impact” to “very significant impact” in both financial and non-financial terms.

The two material topics identified by the severity assessment are managed separately. By clarifying the responsibilities and authority according to the corporate-wide integrated risk management process, we are systematically and proactively implementing ongoing management activities pertinent to the material topics.

1

Environmental Impact of Packaging Materials

Amorepacific Group, which produces and sells cosmetic consumer goods, prioritizes the management of issues related to the environmental impact of our packaging materials. There is a risk that costs related to regulatory compliance may rise, especially as regulations on packaging materials and waste management become stricter worldwide. Accordingly, Amorepacific Group seeks to increase the proportion of environmentally friendly packaging materials and enhance the recyclability of plastic packaging.

2

Response to Climate Change and Energy Management

Climate risk is the most urgent challenge globally. Countries are strengthening their management of greenhouse gas emissions, and in line with this, Amorepacific Group is managing response to climate change and energy management as a material topic. Amorepacific aims to increase the use of renewable energy across all business sites to reach RE100 by 2025.

Metrics & Targets

Environmental Impact of Packaging Materials¹⁾

Category	Contents
Goals	<ul style="list-style-type: none">· Design all plastic packaging materials to be 100% recyclable, reusable, or compostable by 2030· Use recycled or bio-based plastics for 30% of all plastic packaging by 2030
Indicator	<ul style="list-style-type: none">· Percentage of recycled or bio-based plastic used out of total plastic consumption· Percentage of recyclable or reusable packaging materials
Performance	<ul style="list-style-type: none">· Percentage of recycled or bio-based plastics used

7.2%

2022

23.8%

2023

Response to Climate Change and Energy Management¹⁾

Category	Contents
Goals	<ul style="list-style-type: none">· By 2025, source 100% of the electricity used at our global business sites from renewable energy
Indicator	<ul style="list-style-type: none">· Energy consumption· Percentage of renewable electricity usage
Performance	<ul style="list-style-type: none">· Percentage of renewable electricity usage

34.1%

2022

51.4%

2023

1) Results of Amorepacific

Chapter 3

Our Performance

Environmental

- 30 Environmental Management
- 32 Response to Climate Change
- 40 Product Safety
- 43 Water Resource Management
- 44 Environmental Impact Reduction

Social

- 49 Creating a Positive Work Environment
- 53 Human Rights Management
- 55 Diversity and Inclusion
- 57 Safety and Health
- 61 Supply Chain
- 65 Customer Satisfaction
- 71 Information Security
- 73 CSR

Governance

- 80 Corporate Governance
- 83 Risk Management
- 86 Ethical Management

Environmental

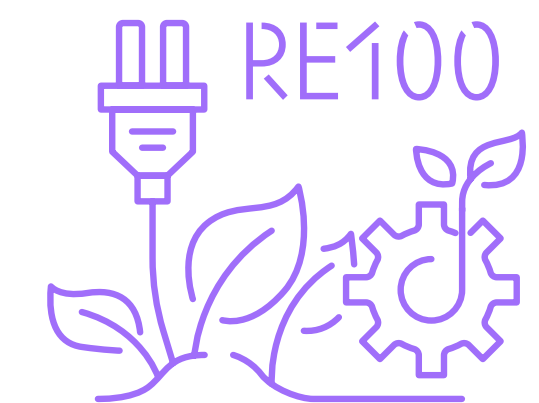
2023 Key Performances

Expansion of Conversion into Renewable Energy

Proportion of Renewable Electricity Use

51.4%¹⁾

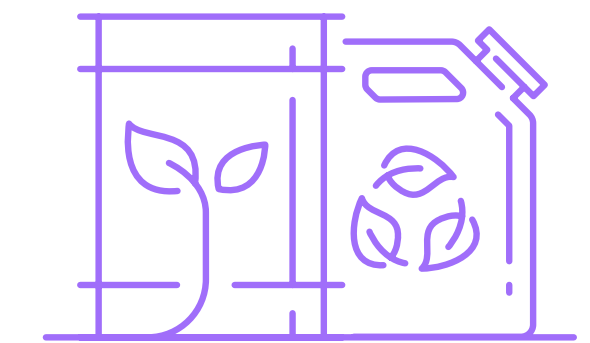
1) Based on data for Amorepacific



Sustainable Palm Oil (RSPO-certified palm oil) Usage Rate

91.5%¹⁾

1) Based on data for Amorepacific



Environmental Management

Amorepacific Group established an environmental policy to minimize environmental impact from the perspective of the entire business activities and processes, and established an environmental management system covering all workplaces.

Environmental Policy

Amorepacific Group strives to minimize the environmental impact caused by its business activities and to fulfill its social responsibility for environmental conservation. The company’s environmental policy reflects a deeply rooted corporate conscience in such responsibility and duty, and all employees recognize environmental values and faithfully execute their responsibility towards a circular economy by complying with this in all aspects of their work.

Amorepacific Group’s efforts to protect the environment are broadly integrated throughout the entire process of the management activities. To this end, we have established group-wide environmental management system, and are gradually reducing our environmental impact through continuous assessment and improvement. Moreover, Amorepacific Group also manages environmental impacts across the supply chain in-depth by considering environmental risks beginning with the selection of suppliers and responding to major environmental issues together with the suppliers through constant communication.

[Environmental Policy](#)

Management System for Environmental Management

Amorepacific Group has adopted the environmental management system^{ISO 14001} in all of the production sites with the goal of full-scale promotion of sustainable environmental management. This system, which conforms to international standards, provides practical measures to reduce the negative impact on the environment throughout the entire product production process. Each business site within the Group strictly adheres to the SHE^{Safety, Health, and Environmental} management standards composed of four stages: ‘Plan-Do-Check-Act,’ and based on the Group SHE guidelines, 31 management items have been established and are operated for environmental management. Activities are being carried out to prioritize and improve items with high risk scores through a risk audit system.

Amorepacific Group has also strengthened the system for responding to environmental accidents. We conduct regular training exercises annually to enhance the response capabilities of our employees. At Amore Beauty Park, the internal environmental regulation has been revised to strengthen the procedures for responding to environmental accidents. A set of 17 emergency response manuals has been prepared to deal with potential environmental accidents in various scenarios, including transportation and storage of waste, movement of formula and semi-finished products, movement and warehousing of raw materials, and handling of laboratory reagents. In the event of an environmental accident, it is mandatory to report quickly and take the necessary actions according to the pre-established prevention and response guidelines. This ensures that all employees actively participate in environmental protection.

SHE Management Standards

Plan		Do	
Reg. 1	SHE management system	Reg. 18	Management of safety and health during business trips
Reg. 2	Risk assessment and management	Reg. 19	Management of safety and health for events
Do		Reg. 20	Management of safety and health for daycare centers
Reg. 3	Legal management	Reg. 21	Management of safety culture
Reg. 4	Managing documents and records	Reg. 22	Water management
Reg. 5	Resource management	Reg. 23	Atmosphere and odor management
Reg. 6	Training management	Reg. 24	Waste management
Reg. 7	Communication management	Reg. 25	Noise and vibration management
Reg. 8	SHE management for partners	Reg. 26	Soil and groundwater pollution management
Reg. 9	Emergency management	Reg. 27	Energy and greenhouse gas management
Reg. 10	Management of facilities and equipment	Reg. 28	Environmental impact assessment
Reg. 11	Management of chemicals	Check	
Reg. 12	Management of specific substances	Reg. 29	Monitoring & measurement
Reg. 13	Safety management of vehicles and unloading machines	Reg. 30	Audit and inspection
Reg. 14	Management of hazardous and dangerous tasks	Act	
Reg. 15	Management of the work environment	Reg. 31	Corrective action for nonconformity
Reg. 16	Health and hygiene management		
Reg. 17	Management of visitors’ safety		

Compliance with Environmental Regulations

Amorepacific Group complies with various environmental laws including Clean Air Conservation Act, Water Environment Conservation Act, Wastes Control Act, Persistent Pollutant Control Act, Noise and Vibration Control Act, Malodor Prevention Act, Soil Environment Conservation Act, Chemical Substances Control Act, and Act on the Registration and Evaluation of Chemical Substances. The Group has standardized environmental regulation risk assessment procedures and criteria to enable the production sites to quantitatively assess the risk of violating environmental laws. Environmental coordinators from Amorepacific Group complete specialized training on environmental regulation audit and form audit teams with both internal and external experts to conduct joint environmental regulation audit among different production sites. Through this process, they are not only ensuring compliance with environmental regulations but are also developing professional capabilities equipped with efficient facility process operation and incident response proficiency.

Environmental Regulation Audit Process



Environmental Performance Management

Amorepacific is committed to environmental conservation and sustainable growth. Under the “A MORE Beautiful Promise” initiative, which outlines five strategic directions for sustainable management, we have set medium- to long-term environmental goals in response to major environmental issues such as energy usage and waste management. We are conducting systematic management activities to achieve these goals.

The performance of these environmental goals has a direct impact on the management’s compensation, thereby fostering active participation and interest of the management. Furthermore, by carrying out monthly performance monitoring based on the ‘Environmental Operation Index’ targets set at each production site, we have integrated this with the Key Performance Indicators^{KPIs} of the relevant management and staff. This integration enhances the execution of environmental performance management.

As part of these efforts, the Environmental and Energy Sub-committee, which includes team managers and coordinator in charge of environment from Amorepacific’s subsidiaries, is held at least once a year. At this committee they share environmental management performances and experiences and collaborate to find solutions to environmental problems that arise in site operations. This practice strengthens communication within and beyond the boundaries of the sites, contributing to enhancing the overall sense of environmental responsibility of the corporation.

Environmental Investment

Amorepacific Group is executing investments for reducing environmental pollution associated with manufacturing environments and transitioning to renewable energy. As part of the efforts to improve air quality emissions, we have strengthened technical improvements of dust collection systems and pursued the modernization of air pollution prevention

facilities. Additionally, to conserve the aquatic environment, we have enhanced the efficiency of Ionized water production processes and made new investments to improve wastewater treatment facilities. For energy management optimization, we have installed power-saving devices and steam flow meters and improved operational efficiency through the introduction of IoT technology. There has been an expansion of solar power generation facilities, with new investments in the R&I Center, Gimcheon Logistics Center, and Anseong Healthcare Production Site in 2023. Amorepacific Group’s environmental investments amounted to approximately KRW 2.4 billion, and environmental operation costs were approximately KRW 3.4 billion.

Integrated Chemical Substances Management System

Amorepacific Group has established an integrated chemical management system^{AP-CHEMS} to safely manage all chemicals used. As an initial step, regulatory reviews are conducted for newly introduced substances and currently used chemicals to create a database of substance information. The Material Safety Data Sheet^{MSDS} and warning labels of the chemicals that have gone through regulatory review can be printed out through the system for on-site use. The database covers all substances (raw materials, MRO, reagents, etc.) and enables facility-specific inquiries of chemical statuses/statistics to check for their regulatory compliance. Specific information on the substances includes hazardous chemicals, hazardous substances subject to management, substances requiring specific work environment, substances requiring special medical examination for the workers, and flammable substances etc.. With this information, we ensure their compliance with laws such as Occupational Safety and Health Act, Chemicals Substances Control Act, and Act on the Safety Control of Hazardous Substances. The system provides functionalities that enable the review of revisions when there are changes to the acquired MSDS, thus facilitating integrated management.

Response to Climate Change

Amorepacific is actively responding to the issue of climate change in pursuit of a sustainable future. The company aims to report on the risks and opportunities associated with climate change, as well as its direction and activities for addressing climate change, in a transparent manner. This reporting is in accordance with the TCFDTask force on Climate related Financial Disclosure framework.

Governance

Board of Directors and Chief Executives’s Responsibility for Climate Response

Amorepacific has reinforced the supervisory role of the Board of Directors in climate change response by establishing an ESG Committee under the Board in 2021, thereby constructing a regular deliberation and decision-making system for climate change response issues.

Furthermore, the Sustainability Committee, led by the CEO, sets company-wide climate response strategies and targets. It functions as a steering committee to foster cooperation among relevant functions for effective implementation.

Identification of Material Risks and Opportunities

Amorepacific has formed a pool of climate change risk and opportunity factors related to its business, covering the entire value chain, based on the analysis framework suggested by the TCFD recommendations. This was achieved by analyzing policy, market, and industry trends.

Furthermore, after consulting with external experts and reviewing with the relevant internal departments, we identified major issues regarding the likelihood and impact of the identified risk and opportunity factors on current and future business activities, financial performance, and financial condition. Through this analysis, we figured out the fact that significant risk factors can have the characteristics of opportunities that enhance business competitiveness.

In particular, risks and opportunities that are expected to have significant impacts in the short-term (within 2025) and medium-term (within 2030) are classified as material risk and opportunity factors. These are managed as priority issues through detailed analysis.

Strategy

Amorepacific’s Climate Change-Related Risk and Opportunity Classification System and Key External Drivers

Amorepacific’s climate change-related risks and opportunities are categorized into transition risk, physical risk, and opportunity factors. They have been assessed in a total of 30 elements, with 19 risks and 11 opportunities. The key contents are as follows:

Transition risk		Physical risk		Opportunity	
Policy/ Regulation	· Greenhouse gas emission regulations, packaging regulations, expansion and reinforcement of disclosure obligations	Acute	Increase in weather-related disasters due to climate change · Flooding due to heavy rainfall · Floods caused by river overflows · Wind and water damage caused by typhoons	Resource Efficiency	· Increased operational efficiency related to energy and raw material usage
				Energy	· Reduction in operating costs through decreased energy consumption
Technology	· Increased R&D expenses for responding to the demand for low-carbon and eco-friendly products	Chronic	Long-term changes in climate patterns · Increase in abnormal high temperature phenomena · Water scarcity and an increase in wildfires due to changes in rainfall and precipitation patterns · Coastal flooding due to rising sea levels	Product-Service	· Increased sales opportunities through the development of eco-friendly and climate change adaptation products
Market	· Changes in eco-friendly consumption trends, strengthening of eco-friendly standards in distribution channels · Transfer of environmental/carbon costs from supply chain			Market	· Enhanced sales opportunities by leveraging incentives for mandatory purchasing policies of eco-friendly products
Reputation	· Decline in corporate value due to poor evaluation of the environmental impact of products or business activities and climate response efforts			Resilience	· Mitigation of electricity cost volatility through diversification of procurement methods such as Power Purchase Agreements (PPAs)

Strategy

Climate Change Scenario

We have employed climate change scenarios in our analysis of climate-related risks and opportunities to consider the uncertain future trajectory of climate change and socio-economic shifts. For the analysis of transition risks and opportunities, carbon pricing approaches for each of the three greenhouse gas reduction scenarios published by the International Energy Agency in 2022 through the Global Energy and Climate^{GEC} Model were reflected.

IEAInternational Energy Agency Scenario – Transition Risk/Opportunity Analysis				IPCCIntergovernmental Panel on Climate Change Scenario – Physical Risk Analysis		
Global greenhouse gas reduction scenarios based on the application of reduction target levels and the implementation of policy and technological measures, as proposed by the International Energy Agency.				Scenarios of the Earth’s temperature rise projections by 2100 compared to the pre-industrial levels, considering scenarios for greenhouse gas emissions and socio-economic development pathways.		
Scenario	TEMP ↑	Assumption	Carbon Pricing	Scenario	TEMP ↑	Assumption
STEPS Stated Policies Scenario	2.5 °C	The current policy direction is maintained, considering the policy measures, reduction targets, and plans already in progress.	\$0~\$90/tonne	SSP Shared Socioeconomic Pathways 1-2.6 Next Best	1.8 °C	A significant reduction in greenhouse gas emissions, and emissions are not increasing compared to the present, but Net-Zero will only be reached after 2050.
APS Announced Pledges Scenario	2.1 °C	Governments of various countries fully implement the reduction targets and long-term carbon neutrality goals submitted to the Paris Agreement.	\$0~\$135/tonne	SSP2-4.5 Middle of the Road	2.7 °C	Significant greenhouse gas reductions are only achieved by the mid-20th century, and Net-Zero is not reached by 2100.
NZE2050 Net Zero Emission by 2050 Scenario	1.5 °C	To limit the temperature increase below 1.5 °C by the year 2100, achieving Net-Zero in the energy sector by 2050.	\$25~\$140/tonne	SSP5-8.5 Avoid at All Costs	4.4 °C	Under the highest greenhouse gas emission scenario, the annual greenhouse gas emissions to double the current level by the year 2100.

Results of Climate Risk and Opportunity Identification

Results of Climate Risk and Opportunity Identification				Material Risk	Material Opportunity			
				Very High	High	Medium	Low	Very Low
Category	Type	Response Strategy		Materiality (Impact)				
				Short-term	Medium-term	Long-term		
Transition Risk	Policy/Regulation	T1	Increased regulatory cost burden due to the introduction of greenhouse gas regulations and carbon taxes in business sites	Low	Very High	Very High		
		T2	Increase in cost burden due to the expansion of the disclosure scope and the strengthening of standards for climate change response	Very Low	Low	Low		
		T3	Increase in compliance costs due to the strengthening of environmental regulations on product packaging	Medium	High	Medium		
		T4	Litigation or legal sanctions from civil society and local community stakeholders	Low	Medium	Low		
	Technology	T5	Increased R&D cost burden to respond to the demand for low-carbon/eco-friendly products	Medium	High	High		
	Market	T6	Loss of sales opportunities due to failure to respond to consumer demand for eco-friendly products	High	Very High	Very High		
		T7	Increased procurement costs due to the rising demand for raw materials with eco-friendly certification	Low	Low	Low		
		T8	Rise in raw material procurement costs from key supply chain due to carbon regulations	Medium	Very High	Very High		
		T9	Increase in electricity cost due to the passed-on from decarbonization and energy transition in the power sector	Low	Very High	Very High		
	Reputation	T10	Products being sold or business operations being stigmatized as environmentally destructive	High	High	High		
		T11	Decline in corporate value due to poor evaluation of climate action	Low	Medium	Medium		
Physical Risk	Acute	P1	Business interruption (loss of sales opportunities) and asset damage due to river flooding	High	High	High		
		P2	Business interruption (loss of sales opportunities) and asset damage due to torrential rains	Medium	Medium	Medium		
		P3	Business interruption (loss of sales opportunities) and asset damage due to increased typhoons	Low	Low	Low		
		P4	Decrease in productivity due to worsening drought (such as a reduction in crop yields)	Very Low	Very Low	Very Low		
	Chronic	P5	Cessation of plant operations and increase in water usage costs due to intensifying water shortages	Very Low	Very Low	Very Low		
		P6	Decrease in productivity and increase in cooling costs due to the rise in the number of extremely hot days	Very High	Very High	Very High		
		P7	Business interruption and asset loss due to coastal flooding resulting from rising sea levels	Very Low	Very Low	Very Low		
		P8	Business interruption and asset loss due to an increase in the frequency of wildfires	Very Low	Very Low	Very Low		
Oppotunity	Resource efficiency	O1	Cost reduction through energy efficiency and increased recycling in the manufacturing stage	Low	Low	Medium		
		O2	Reduction of water costs through increased water efficiency in manufacturing facilities	Very Low	Low	Low		
	Energy	O3	Reduction of energy costs through the transition to renewable electricity	Medium	High	High		
		O4	Reduction of energy costs through the transition from internal combustion engine vehicles to electric vehicles	Very Low	Very Low	Very Low		
		O5	Utilization of energy-related policy subsidies and financial support incentives	Very Low	Low	Low		
	Product-Service	O6	Increased sales opportunities through the development of low-carbon/environmentally friendly products	Very High	Very High	Very High		
		O7	Increased sales opportunities through the development of new climate change adaptive products	Medium	Medium	High		
		O8	Creation of new business revenue through the development of eco-friendly packaging materials and technology	Low	High	High		
	Market	O9	Reduction in funding costs through the utilization of sustainable green financial products	Very Low	Very Low	Very Low		
		O10	Increased sales opportunities through leveraging incentives from mandatory eco-friendly product purchase policies	Low	Low	Low		
	Resilience	O11	Mitigation of electricity cost volatility through the Power Purchase Agreement (PPA) of renewable electricity	Low	Low	Low		

Strategy

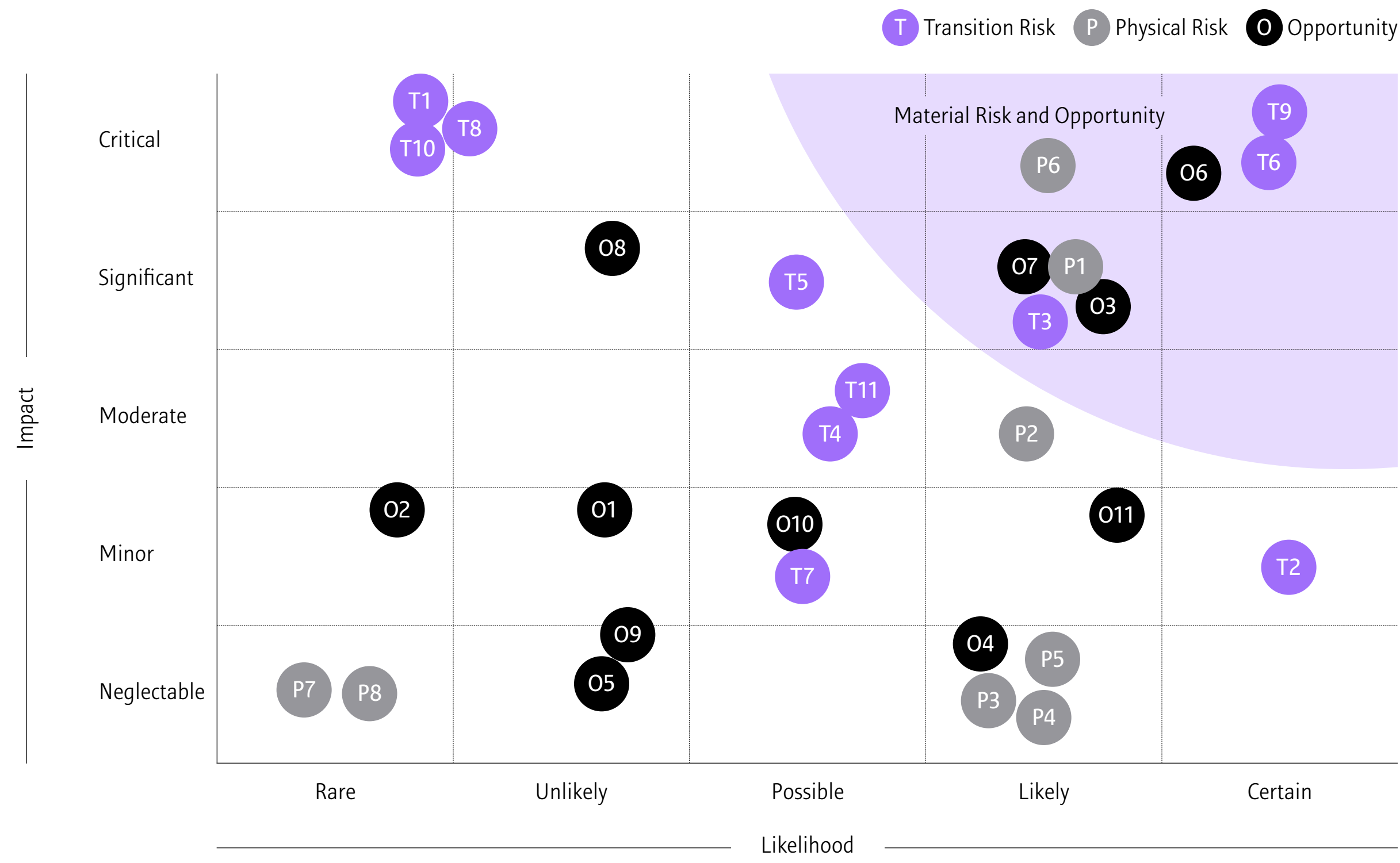
Identification of Material Risk and Opportunity Factors

Firstly, as the transition to a decarbonized energy accelerates, the burden of greenhouse gas reductions in the power sector is likely to be passed on to electricity retail prices, resulting in a potential increase in energy costs. On the other hand, securing effective procurement of renewable energy power can provide opportunities to mitigate the volatility of electricity prices.

Secondly, as global consumption trends shift, it is expected to an increase in eco-concious consumer behavior and an enhancement of environmentally friendly sales strategies in distribution

channels. Effective response to these changes is anticipated to significantly influence the opportunity to generate revenue in the growing market for environmentally friendly products.

Thirdly, there is growing awareness of the potential for increased occurrences of extreme weather and natural disasters, as these phenomena are already becoming more evident. Should global efforts fail to control greenhouse gas emissions, there is a heightened risk of disasters caused by heatwaves and heavy rainfall. Intensifying heatwaves could also lead to increased demand for functional cosmetics, presenting new opportunities for revenue generation.



Strategic Resilience

In formulating a climate change response strategy, we have considered uncertain future development scenarios, including a high-intensity carbon reduction scenario (aiming to suppress temperature rise to 1.5 °C) and a scenario where physical risks are maximized (with global temperatures rising more than 4 °C). Our target timeline for the renewable energy transition is faster than the transition pathway recommended by RE100, and we will minimize the risks associated with direct and indirect carbon costs through an efficient transition to renewable energy.

Meanwhile, we have examined the impacts under the scenario where physical risks are maximized due to the failure to control the reduction of greenhouse gas emissions worldwide. We plan to promote the establishment of a risk monitoring and response system, focusing on the dangers of heatwaves, torrential rains, and the risk of flooding due to river overflows. Our company will continuously advance our strategy to enhance adaptability to unpredictable environmental changes.

Material Risk and Opportunity	Strategic Direction for Response	Approaches to Enhancing Resilience
<div>Strengthening of decarbonized energy transition policies</div> <div><div>T9</div>[Risk] Increase in electricity prices due to the passing on of decarbonized energy transition costs</div> <div><div>O3</div>[Opportunity] Mid- to long-term energy cost savings through the transition to renewable electricity</div>	<div>Innovation in operations based on carbon neutrality</div>	<div>· By 2025, achieve RE100 across all global business sites to decarbonize early in anticipation of external stakeholder demands</div> <div>· Minimize exposure to rising electricity prices and volatility risks through the expansion of on-site solar power generation and securing long-term fixed pricing through Power Purchase Agreements (PPAs) when promoting the transition to renewable energy</div>
<div>Market demand and regulatory changes for products</div> <div><div>T6</div>[Risk] Failure to respond to product demand from eco-concious consumer behavior</div> <div><div>O6</div>[Opportunity] Increase in sales opportunities for eco-friendly products that meet eco-concious customer’s needs</div> <div><div>T3</div>[Risk] Increase in compliance costs to comply with stricter environmental regulations on product packaging materials</div>	<div>Enhancing the Competitiveness of Eco-Friendly Products</div>	<div>· Establish a foundation for responding to the demands of leading global distribution channels for Beauty & Personal Care products and customer needs by enhancing the standards for eco-friendly products</div> <div>· Continuously implementing the 4R strategy to mitigate costs associated with the strengthening of packaging regulations</div> <div>· Minimize the burden and reduction in sales opportunities</div>
<div>Intensification of physical climate change</div> <div><div>P1</div>[Risk] Business interruption and asset loss due to heavy rainfall and river flooding</div> <div><div>P6</div>[Risk] Asset value impairment and increased costs due to heatwaves</div> <div><div>O7</div>[Opportunity] Enhancement of sales opportunities through the development of new products adapted to climate change</div>	<div>Establishment of a Physical Risk Response Framework</div>	<div>· Enhance monitoring of extreme weather disaster risks in preparation for scenarios where global control of greenhouse gas emissions is not successfully progressed, and push for the improvement and reinforcement of HVAC and disaster prevention infrastructures</div> <div>· Realize market opportunities for climate-adaptive products by strengthening the competitiveness of functional products</div>

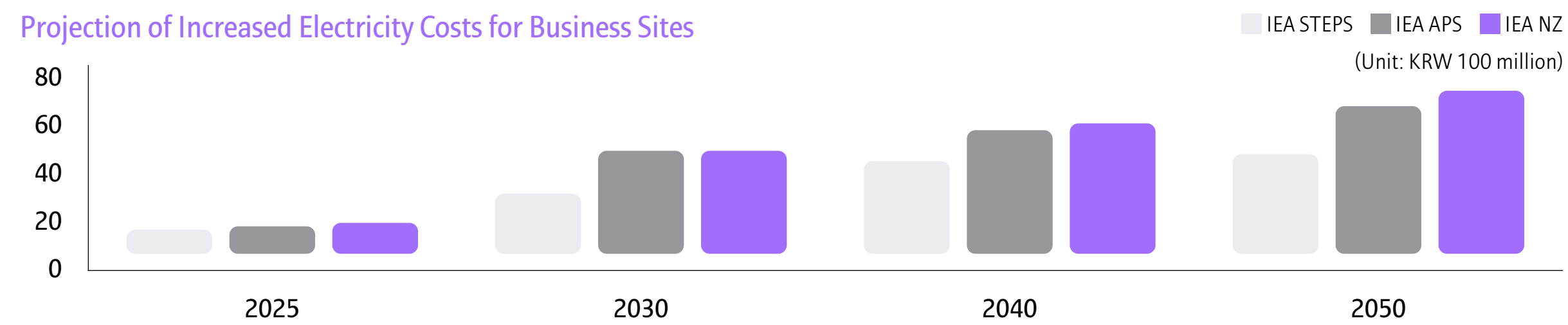
Strategy [1] Carbon-Neutral Operational Innovation

Increase in Electricity Costs Due to the Passing on of Decarbonized Energy Transition Costs

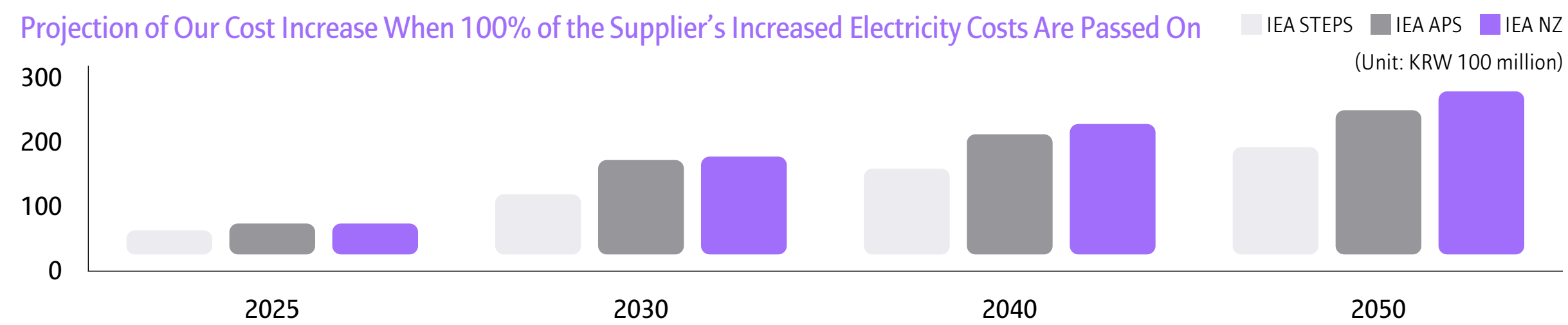
Efforts to reduce greenhouse gas emissions in the power sector are being strengthened. In the case of Korea, the government has raised the greenhouse gas reduction target for the power sector from the existing 44.4% to 45.9% in 2023, and the mandatory supply target for renewable energy has also been increased. Moreover, a climate-environmental fee system has been introduced that allows the costs of greenhouse gas emission rights for thermal power generators and the mandatory supply costs for renewable energy to be reflected in the electricity retail rates. These changes are expected to lead to the passing on of the costs associated with the decarbonization energy transition in the power sector to the electricity retail rates, which in turn is anticipated to increase the pressure on rising electricity purchase costs.

Electricity retail rates are expected to increase by up to 8.9% in 2023 compared to 2022 due to environmental dispatch and by 9.3% due to power suppliers’ obligation to supply renewable energy, which may result in an approximate maximum increase of 26.8% by 2030 compared to 2022. Consequently, Amorepacific’s electricity costs are expected to increase by about 0.1% relative to sales. Meanwhile, the rise in the unit price of electricity can increase the energy costs for suppliers and may become a factor leading to an increase in the procurement unit price of future purchased raw and packaging materials. According to the analysis, under a Net-Zero scenario where the increase in electricity unit price is completely passed on to the delivery price, the cost of domestic raw materials and packaging materials is projected to increase by about 0.2% relative to sales.

Projection of Increased Electricity Costs for Business Sites



Projection of Our Cost Increase When 100% of the Supplier’s Increased Electricity Costs Are Passed On



* The increase in electricity retail rates has been estimated by applying the 2030 power generation mix plan (10th Basic Plan for Electricity Supply and Demand), the forecasted scale of emissions rights paid allocation purchases by fossil fuel power generators, the renewable energy mandatory supply target according to the Renewable energy Portfolio Standard (RPS), and REC price forecasts set by Energy Economic Research Institute (2021), as well as carbon price projections for different IEA climate scenarios. It is assumed that the costs of emission rights for fossil fuel power generators and renewable energy mandatory supply are fully reflected in the retail rates.

① IEA NZ2050: This refers to the global Net-Zero scenario by 2050, aiming to limit temperature rise to 1.5 °C.
② IEA SPS: This scenario assumes that the greenhouse gas reduction commitments made by various governments are achieved, limiting the temperature rise up to 2.1 °C.
③ IEA APS: This scenario is based on the continuation of current government policies, which would lead to a temperature rise of maximum 2.5 °C.

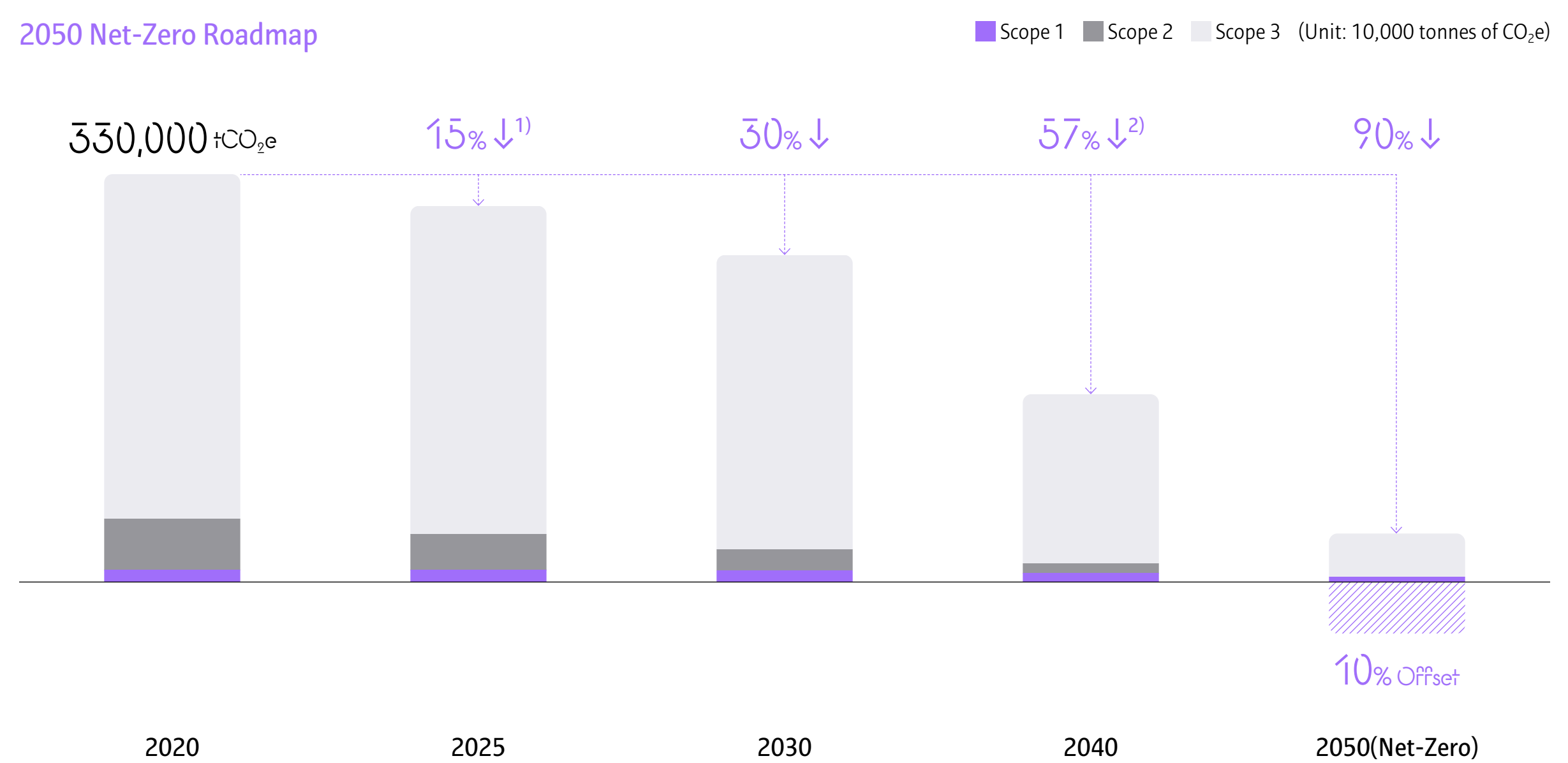
Amorepacific’s Strategic Direction for Implementing Carbon Neutral-Based Business

To contribute to the global carbon neutrality goals and minimize financial risks due to the strengthening of related policies, Amorepacific aims to implement a greenhouse gas Net-Zero-based business by 2050. To this end, in 2023, the company adopted the SBTi Net-Zero Standard, a Science-Based Targets initiative, to establish a Net-Zero target across the entire value chain by 2050 and to outline a pathway for implementation.

As primary measures for implementing operations in business

sites (Scope 1, 2), we plan to promote the transition to renewable energy and the enhancement of energy efficiency. For the residual emissions, we aim to offset them by securing carbon credits through activities such as afforestation. Meanwhile, to reduce emissions from the supply chain, which constitutes the largest proportion of our entire value chain emissions, we will procure low-carbon products focusing on key raw materials and packaging and collaborate with our main suppliers to facilitate the transition to renewable energy and the reduction of greenhouse gases. Through these measures, we intend to mitigate the risk of increased carbon costs from the supply chain and contribute to the reduction of carbon footprints during the customer usage phase.

2050 Net-Zero Roadmap



* Emission targets subject to goal setting have been calculated and reduction rates applied according to the SBTi guidelines. As the SBTi validation process is ongoing, the above figures are subject to change.

1) The reduction percentage is relative to the 2030 target, and the coverage includes 95% of the total emissions for Scope 1 and 2 in the base year (2020), and 67% for Scope 3.
2) The reduction percentage is relative to the 2050 target, and the coverage includes 95% of the total emissions for Scope 1 and 2 in the base year (2020), and 90% for Scope 3.

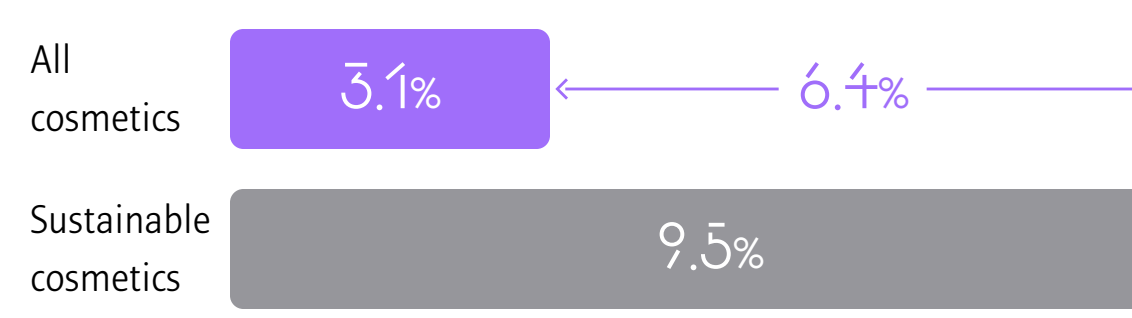
Strategy [2] Enhancing the Competitiveness of Eco-friendly Products

Key Risks and Opportunities Arising from the Growth of the Eco-Friendly Product Market

Growth of the Eco-Friendly Product Market due to Increasing Low-carbon, Eco-Friendly Product Consumption Trend

There is a spreading consumption trend that involves expressing one’s values through the purchase of lightweight packaging products, considering their environmental impact. Additionally, global distribution channel companies are strengthening their marketing for sustainable products. According to forecasts by a global market research institution¹⁾, sustainable cosmetic products are expected to grow at an annual rate of 9.5%, more than double the average for beauty & personal care products (3.1%).

Forecast of the Average Annual Market Growth Rate by 2030



Financial Impact

If our company fails to respond to customer needs for eco-friendly products, we could lose sales opportunities corresponding to the market share difference resulting from the growth rate discrepancy between general cosmetics and sustainable cosmetics. On the other hand, if we successfully meet the demand for eco-friendly products through proactive research and development of eco-friendly products and effective marketing, we are expected to generate an increase in sales of about 0.5–1.2%.

1) Inkwoodresearch, beauty-and-personal-care-market

Increased Cost Burden to Comply with Environmental Regulations on Packaging Materials

As the use of plastic packaging materials increases, regulations related to plastic are being strengthened to address issues such as greenhouse gas emissions and ecosystem destruction. In South Korea, under the Extended Producer Responsibility (EPR) system, packaging materials graded as ‘difficult to recycle’ are subject to a surcharge of 10–20%. The cost of shared responsibility can increase depending on the amount of packaging used and its recyclability grade. Furthermore, there is a growing demand for the use of alternative materials such as recycled plastics. However, the procurement cost for recycled materials is about 20% higher compared to virgin materials, and it is expected to become a cost burden risk factor in the future. If we fail to adequately respond to these packaging-related regulations, the cost of transitioning to alternative materials and recycling surcharges are expected to increase by approximately 2.4 times by 2030 compared to 2022.

Response to the Growing Eco-Friendly Product Market

Amorepacific is continuously investing in product improvement and research to meet the values and needs of consumers who favor eco-friendly products, in response to the growing trend of low-carbon, environmentally friendly products.

We are consistently implementing the 4R strategy to improve the environmental performance of packaging materials and are accelerating the development of eco-friendly technologies to measure and improve the environmental footprint of our products. As part of our efforts, we have internalized sustainability into our products, allowing consumers to make the choice to reduce their environmental impact when selecting our products. By actively responding to the increased demand for eco-friendly products, we will strengthen our capabilities with a sustainable business model that benefits both consumers and the environment.

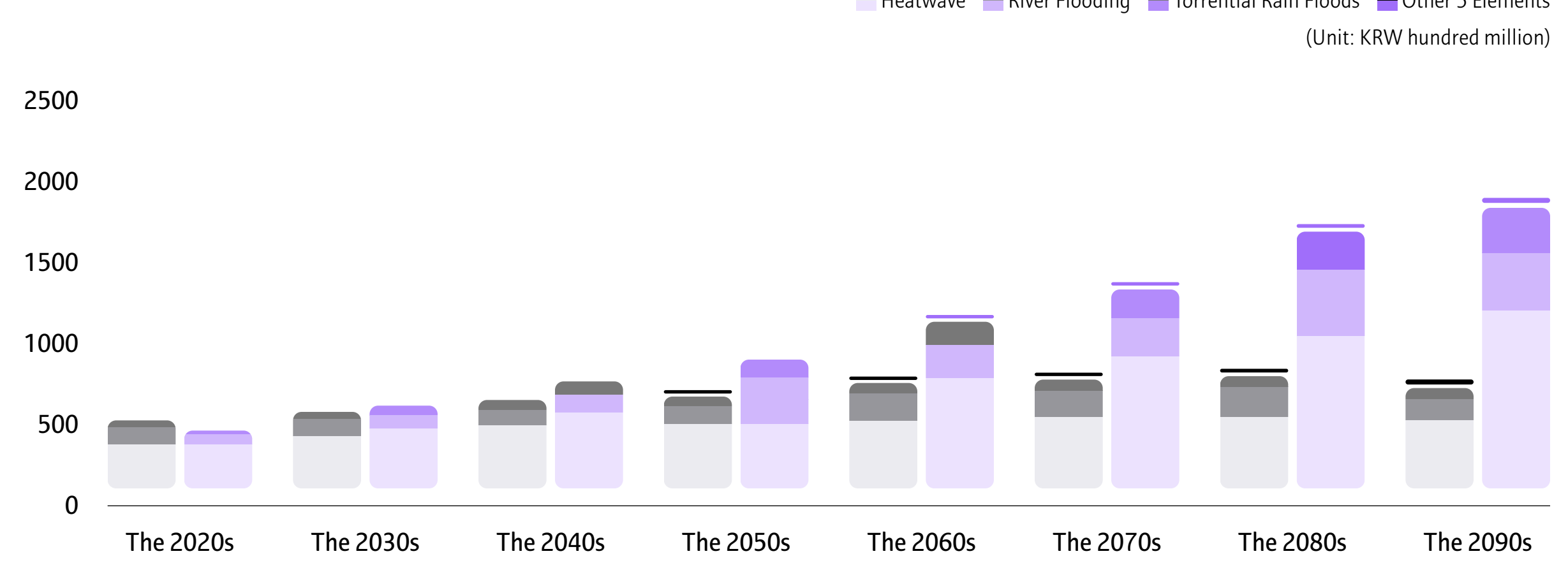
Strategy [3] Establishing a Foundation to Respond to Physical Risks

Financial Impact Analysis of the Eight Major Climate Risk Factors According to Climate Change Scenarios

Approach to Physical Risk Analysis

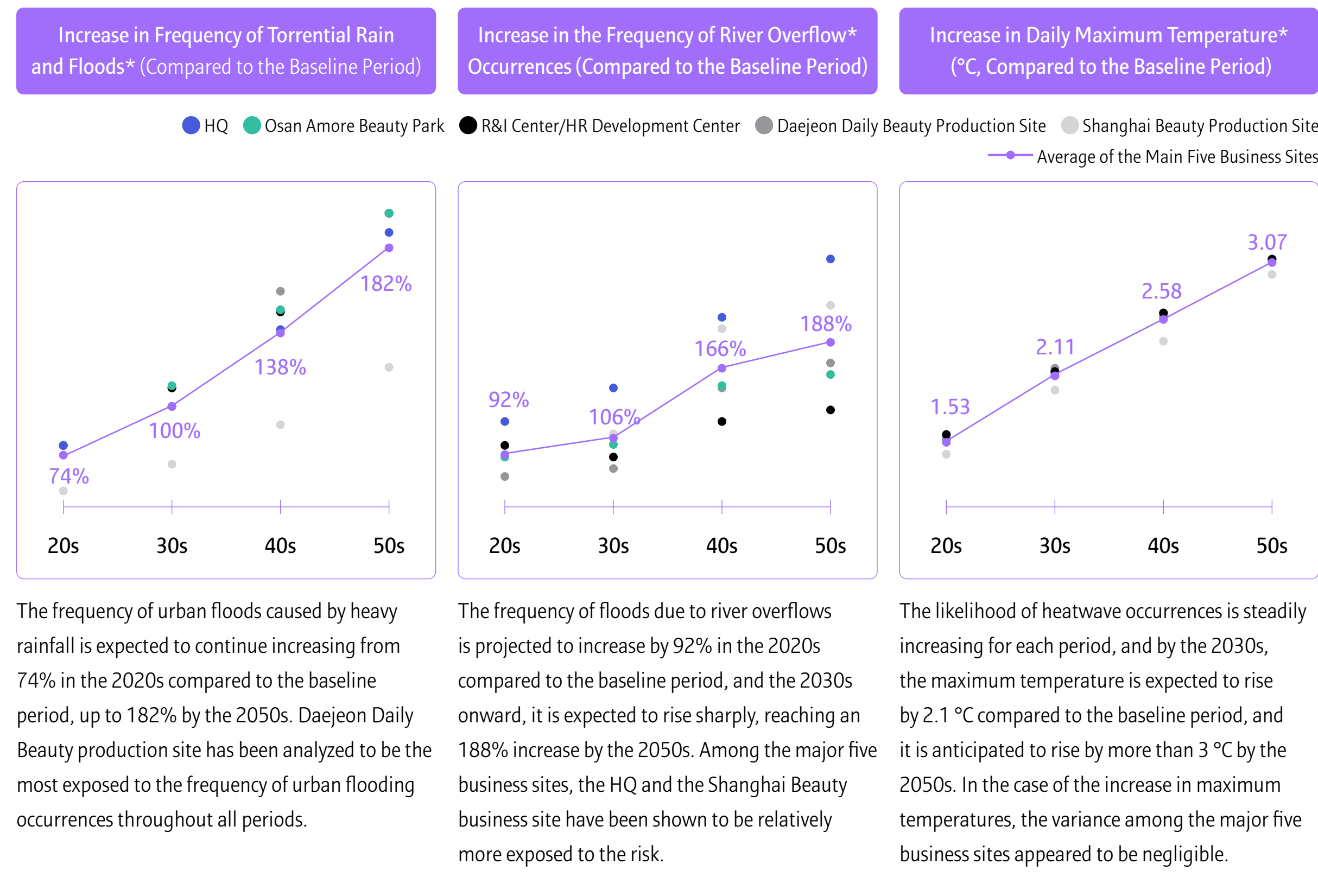
Scope of Analysis	Amorepacific has analyzed a total of 18 business sites, which include 17 locations in South Korea (Gangbuk, Gwangju, Gimcheon, Gimhae, Daegu, Daejeon, Busan, Seoul, Anseong, Osan, Yongin, Incheon, Jincheon) and one location in China (Shanghai).
Application of Climate Change Scenario	The physical risk analysis was conducted for four IPCC SSP scenarios, primarily considering SSP5-8.5, which represents the scenario of the highest physical risk where the failure to control greenhouse gas reductions leads to a global temperature rise of more than 4 °C, as well as SSP1-2.6, which involves an aggressive early reduction of greenhouse gases that limits global temperature rise to between 0.9 and 2.3 °C.
Analysis Method	Using S&P Global’s Climanomics® hazard modeling tool, we have conducted climate risk predictions, socio-economic data analysis, and econometric modeling for the target assets. This allowed for the assessment of the impact of eight major climate risks (drought, water scarcity, wildfires, typhoons, heavy rain floods, heatwaves, river flooding, and sea-level rise) in terms of losses and loss rates relative to the book value of assets, evaluated in ten-year increments up to the year 2100.
Key Analysis Results	It has been shown that physical climate change can expose businesses to negative impacts caused by business suspensions, recovery costs, and depreciation of asset values. Among the eight climate risk factors, heatwaves (64.4%), river flooding (19.3%), and heavy rain floods (14.3%) account for 98.0% of total impact (based on the SSP5-8.5 scenario). The gap according to climate change scenarios begins to widen from the mid-2000s, and the negative impacts increase sharply from the 2040s in scenarios where global temperatures rise by more than 4 degrees Celsius, as opposed to scenarios where greenhouse gas emissions are controlled within around 2 °C.

Financial Impact Forecasts by Decade from the 2020s to the 2090s



Strategy [3] Establishment of a Foundation for Response to Physical Risk

Exposure Levels of Major Physical Risks at Key Business Sites (5 Sites)



Strategy [3] Establishment of a Foundation for Response to Physical Risk

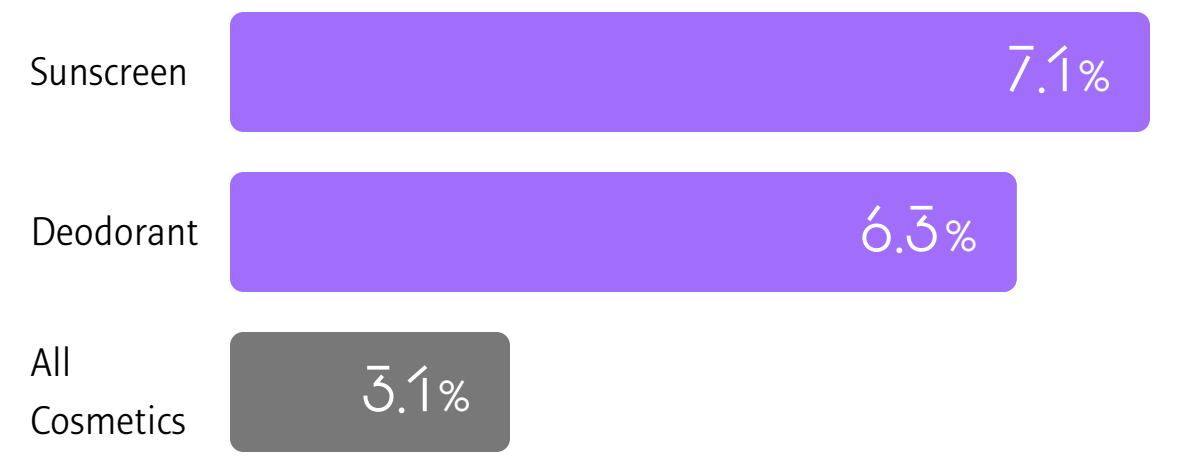
Climate-Adaptive Product Market Opportunities

As climate change intensifies, it is expected that the demand for functional products suited to changing weather conditions (such as heatwaves and increased solar radiation) will increase.

According to surveys and forecasts by a global market research firm¹⁾, by 2030, sales of sun care products are expected to grow by 7.1% annually, and cooling functional deodorant products by 6.3% annually. This growth is reported to be twice as high as the overall cosmetics market growth rate, which is projected at 3.1%.

If our company develops products that meet market demand and carries out effective marketing to keep pace with the overall market growth trend, we anticipate potential sales growth of about KRW 20.8 billion by 2025, and approximately KRW 58.7 billion by 2030.

Average Annual Market Growth Rate by Product Category Through 2030



Climate-Adaptive Product (Sun Care/Cooling Functional Products) Sales Growth Potential



Direction for Responding to the Climate-Adaptive Product Market

While climate change-induced heat waves can lead to physical risks such as increased air conditioning costs at workplaces during the hot season and decreased performance of HVAC systems, it is important to note that the same climate change can also transform the market demand and needs for functionality in sun care and cooling products, thereby creating additional sales opportunities for related products. As climate change intensifies in the future, the sales volume for skincare products aiming to protect against increased ultraviolet radiation or to repair skin damaged by ultraviolet rays is expected to continue rising. In response, our company will closely monitor market trends and consumer needs for functional products prompted by extreme weather conditions such as heatwaves. We will proceed with product innovation focused on sun care and the expansion of specialized solutions developed by Amorepacific.

Risk Management

Integrated within the Company-Wide Risk Management System

Identified climate change-related material risks are reflected in the company-wide risk management, and priority response risks that could potentially hinder the achievement of the overall corporate management plan are selected to establish a management plan for preemptive avoidance or post-event response. The management departments responsible for each priority response risk monitor the response status periodically during the execution process to ensure that necessary measures are taken in a timely manner and carry out improvement activities

The corporate risk management department consolidates the results from the annual performance check of risk responses and develops strategies for future management improvements. These findings are then reported to the chief executive level management and the Board of Directors. The ESG Committee under the chief executive level management and Board of Directors reviews the risk management plan and monitoring outcomes, providing feedback for effective implementation.



1) Euromonitor, Sun Care & Deodorants in World

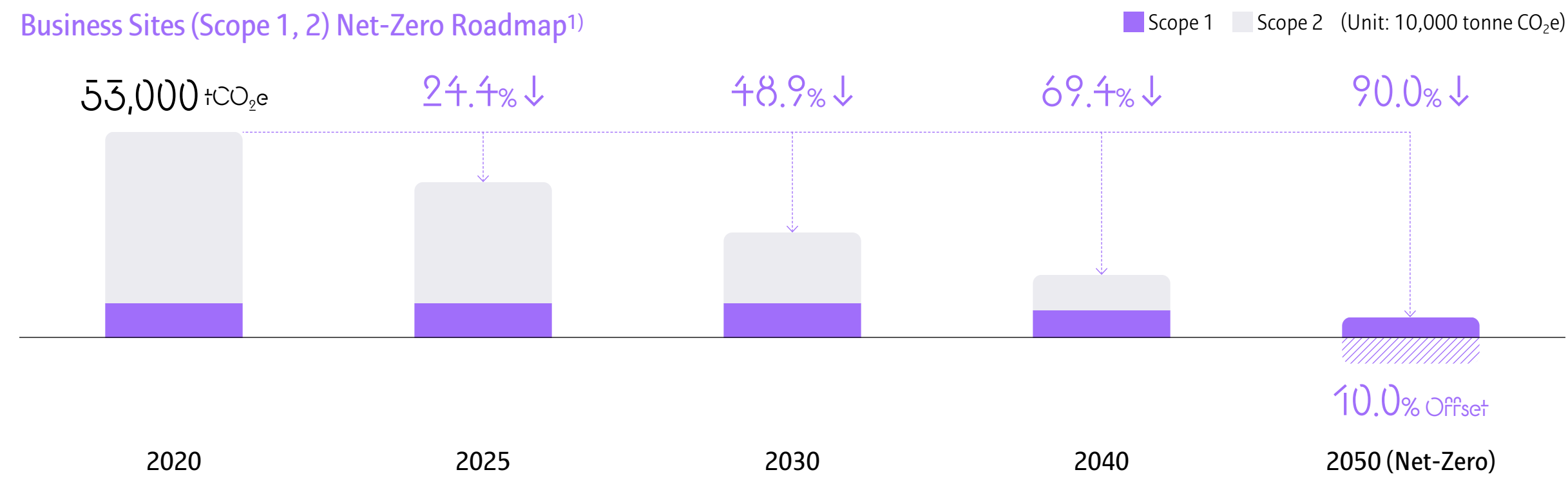
Metrics and Targets

Business Sites Transitioning to Net-Zero and Renewable Energy

In 2023, Amorepacific achieved a 40% reduction in greenhouse gas emissions compared to the baseline year of 2020 emissions. This marks a continuous decrease in emissions from the 28% reduction rate achieved in 2022, maintaining levels below the reduction target path set from 2020 to 2030.

Key contributing factors in 2023, as compared to 2022, include an increase in self-generation (solar power) installation capacity from 3.59MW to 5.58MW, which raised the proportion of self-generation by approximately 5%. Additionally, the increase in the procurement of renewable energy through direct and indirect PPAs (Power Purchase Agreements) and VPPAs (Virtual Power Purchase Agreements) also contributed to the reduction of greenhouse gas emissions.

Business Sites (Scope 1, 2) Net-Zero Roadmap¹⁾



1) According to SBTi standards, the coverage of targeted emissions for Scope 1 and 2 is 95%. As verification is underway, the reduction targets may be subject to change in the future.

Focused Implementation Strategy

1. Energy Conservation and Efficiency Enhancement

Operating a company-wide Energy TFT to continuously achieve an annual self-reduction goal of 5%.

- (Technology) Replacement with high-efficiency equipment, conversion of boiler fuel
- (Culture) Deployment of campaigns to raise awareness among employees
- (Process Improvement) Improvement of process efficiency, introduction of waste heat recovery systems

2. Transition to Renewable Energy

Execution of the RE100 roadmap through various implementation measures

- Expansion of solar power self-generation facility installations
- Secure stable renewable energy through long-term procurement contracts
- Utilization of means to supplement the intermittency of renewable energy

3. Offsetting Residual Emissions

Promotion of carbon absorption/removal projects and securing of credits

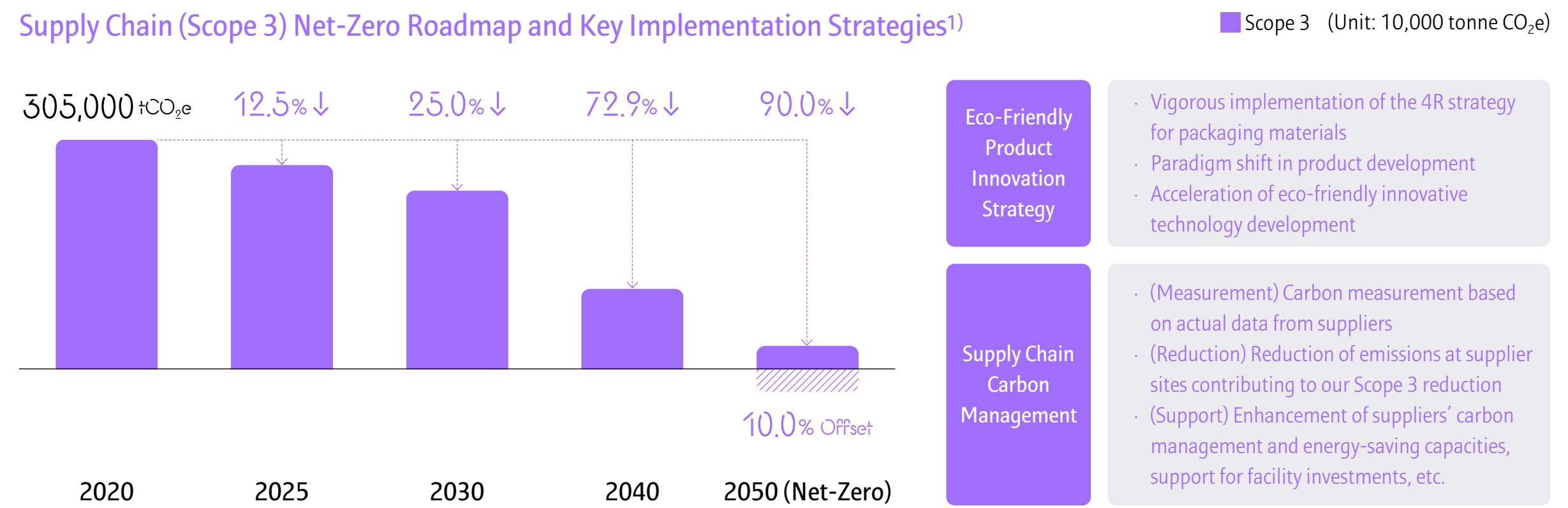
- (Short-term) Carbon offsetting through domestic afforestation projects
- (Long-term) Securing carbon credits through carbon absorption/removal projects in key developing countries with export relations

Greenhouse Gas Emissions from the Supply Chain (Scope 3)

Amorepacific has set a goal to achieve Net-Zero emissions for Scope 3 greenhouse gases by 2050, in line with the criteria of the Science Based Targets initiative (SBTi). The reduction of Scope 3 emissions will be focused on supply chain emissions and is planned to be achieved through the implementation of eco-friendly product innovation strategies, across-the-board reduction of carbon footprint of products, and carbon management in the supply chain.

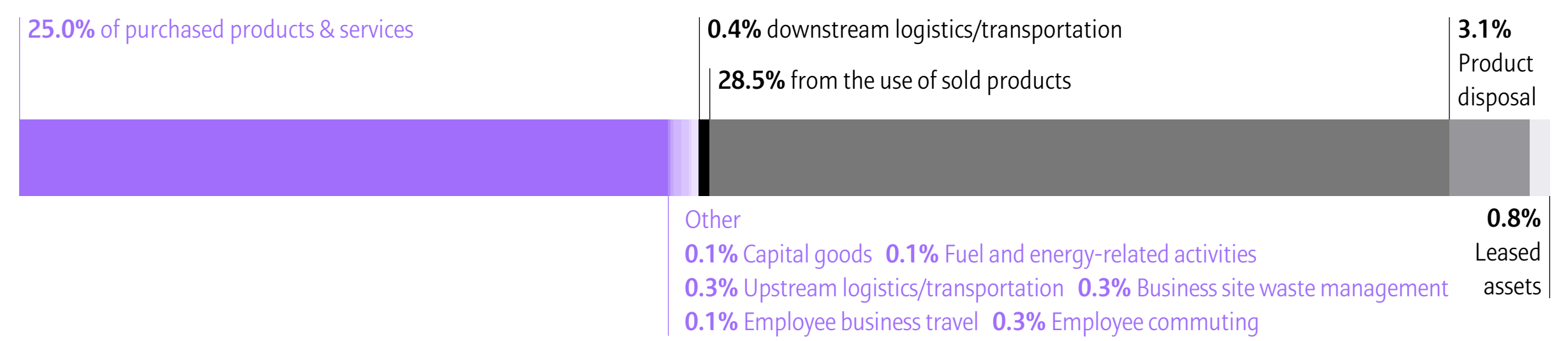
We will enhance the measurement of greenhouse gas emissions based on actual data for effective carbon management in the supply chain. Furthermore, we will continuously build reduction cooperation partnerships, and deploy activities such as strengthening the capacity for energy savings at supplier sites and supporting investment in actual cost reductions for emissions reduction. Through these measures, we aim to reduce the carbon footprint of our supply chain and manage the risk of carbon costs leading to an increase in our cost burden.

Supply Chain (Scope 3) Net-Zero Roadmap and Key Implementation Strategies¹⁾



1) According to SBTi criteria, the coverage of target emissions for Scope 3 is 90%. As verification is in progress, the reduction targets may be subject to change in the future.

2020 (base year) Scope 3 greenhouse gas emissions



* The Net-Zero target is an internationally verified and approved goal according to the SBTi (Science Based Targets initiative) criteria, and since emissions from the use of sold products in the supply chain emissions are not a mandatory requirement, they have been excluded from the target.

Product Safety

Amorepacific Group prioritizes product safety by systematically managing the entire process from the early stages of product development to the final stages of use. In addition to meeting international regulations, the company has established its own stringent quality standards to ensure the safety of ingredients from selection through to the final product.

Customer Assurance Quality Standards

Amorepacific strictly adheres to the laws and regulations of the countries it operates in, including the US, Europe, Japan, China, and the ASEAN region. Additionally, the company closely monitors the latest trends in safety evaluations related to global chemical regulations, cosmetic safety, and environmental issues. Through the processes of studying these wide-ranging standards and internalizing them within the organization, Amorepacific has established its own stringent quality criteria. Even if an ingredient is legally permitted, Amorepacific takes an in-depth look at customer concern and safety research results to regulate the use of certain ingredients according to our unique internal standards. This includes restrictions on the use of parabens, triclosan, benzophenones, certain dyes, and specific ultraviolet filters.

[Transparent Ingredients](#)

Cosmetic Ingredient Search Service

Amorepacific provides support to customers, making it easy for them to access information about cosmetic ingredients through the Amorepacific corporate website. Utilizing the search function, customers can conveniently find information on specific ingredients, including the source and method of extraction, as well as the benefits these ingredients offer to the skin. This service is part of Amorepacific’s effort to assist customers in making informed choices and to satisfy their right to know.

[Ingredients Glossary](#)


Raw Material Quality Control Process



Product Safety Verification Process



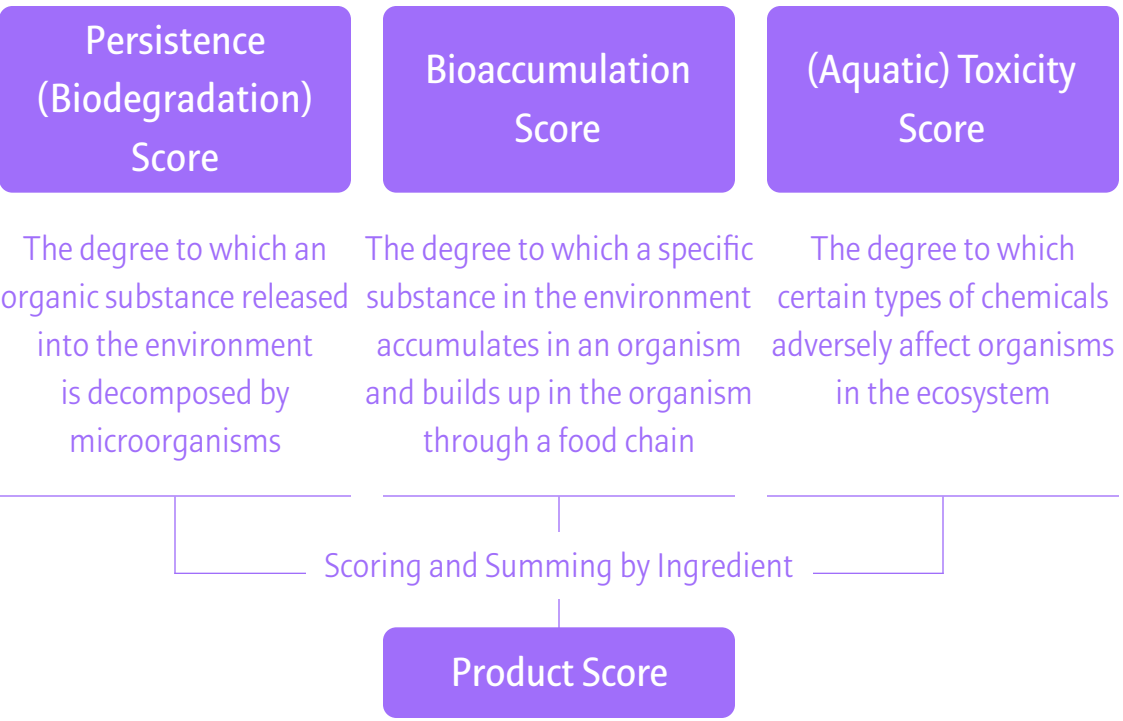
Some of the regulations that Amorepacific’s product safety management standards comply with

		
Country	Relevant Ministry/Departments	Regulation
Korea	KFDA	Cosmetics Act, Safety Standards for Cosmetics, Types, Standards, and Test Methods of Cosmetic Color Additives, Pharmaceutical Affairs Act / Korean Pharmacopoeia (KP), Korean Quasi-Drug Codex (KQC), Korean Herbal Pharmacopoeia, Food Sanitation Act, Food Standards and Specifications, Food Additive Standards and Specifications and etc.
	Ministry of Environment	Chemicals Control Act, Act on Registration and Evaluation of Chemicals, Designation of Restricted or Prohibited Substances, Drinking Water Management Act, Quality Standards and Test for Drinking Water, Consumer Chemical Products And Biocides Safety Control Act and etc.
EU	European Commission	No 1223/2009 (on cosmetic products), No 1333/2008 및 1925/2006 (on food additives) , etc.
	ECHA	No 1907/2006 (Regulation on the Registration, Evaluation, Authorization, and Restriction of Chemicals, REACH), Candidate List of SVHC for Authorisation, No 1272/2008 (Regulation on the Classification, Labelling, and Packaging of Chemical Substances, CLP), CMR List (List of Carcinogenic, Mutagenic, or Reprotoxic Substances) , etc.
	Others	European Pharmacopoeia, EFSA, SCCS Opinion, etc.
USA	FDA	US Code(USC) Title 21 21 Code of Federal Regulations(CFR), Microbead-Free Waters Act of 2015, OTC Monograph, etc.
	Others	United States Pharmacopeia, Proposition 65, Cosmetic/Food Regulations by State, CIR Report, etc.
China	NMPA (National Drug Administration)	化妆品监督管理条例 (Regulation on the Supervision and Administration of Cosmetics), 化妆品安全技术规范 (Safety and Technical Standards for Cosmetics), 化妆品安全评估技术导则 (Technical Guidelines for Safety evaluation of Cosmetics), 化妆品注册备案管理办法 (Measures for the Administration of the Registration and Recordation of Cosmetics), etc.
Japan	Ministry of Health, Labour and Welfare	化粧品基準 (Standards for Cosmetics), 日本薬局方 (Japanese Pharmacopoeia (JP)), etc.
Others		Health Canada Cosmetic Ingredient Hotlist IARC Classifications, IFRA Standards on Fragrance Ingredients, etc.

Environmental Impact Assessment Technology Development

As interest in environmental protection increases, Amorepacific Group is focusing on the development of eco-friendly products that are preferred by customers. Since 2015, as the first in the domestic cosmetics industry, the company has adopted a test method capable of measuring aquatic environmental toxicity, researching the impact products and ingredients have on the environment. Through this, the company is concentrating on developing products that minimize environmental impact by selecting ingredients with high biodegradability, low bioaccumulation, and low ecotoxicity.

Environmental Impact Assessment Scoring Algorithm



Product Life Cycle Analysis

Amorepacific Group is striving to ensure that products are recycled throughout their entire lifecycle—from production and packaging to use and disposal—and to minimize their environmental and social impact. In particular, to calculate the carbon footprint generated over the entire lifecycle, the company has established an LCALife Cycle Assessment framework considering ISO 14040, ISO 14044, and ISO 14067, and accordingly developed a PCFProduct Carbon Footprint calculation methodology. This methodology has been used to estimate the carbon emissions of the major exported products of innisfree.

Considering company-wide participation and expansion, a TF composed of members from the Sustainability Management Center, R&I, and SCM organization was formed to facilitate proper review of the raw materials of the product, to packaging, logistics/transport, and disposal. The established evaluation process is planned to gain reliability through 3rd party verification, and will not only quantify and detail the impact on carbon emissions but will also enhance related systems to quantify and detail the environmental impact on water and resources overall.

Application Cases : Analysis of the Biodegradable Ingredient Content in Amorepacific Products

Laneige Radian-C Double Active Brightening Essence
(Biodegradable Ingredient Content 99.5%)



Ryo ROOT:GEN for Women Hair Loss Care Shampoo
(Biodegradable Ingredient Content 96.1%)



Happybath Original Collection Bodywash
(Biodegradable Ingredient Content 99%)



42		Chapter 1. Our Company	Chapter 2. Our Approach to Sustainability	Chapter 3. Our Performance	Chapter 4. ESG Factbook	Chapter 5. Appendix
<div>Excluding Certain Ingredients</div> <div>Amorepacific Group is continuously researching technologies that maintain product performance while eliminating ingredients that customers do not want. We ensure product quality without preservatives, prevent unpleasant odors even in fragrance-free products, and enable effective cleansing without surfactants. We scientifically support the development of such formulations through techniques like trace analysis and cross-contamination prevention. The products are labeled with ‘Free’ or the equivalent to inform consumers that certain ingredients have been excluded. Furthermore, for ingredients that are legally banned, we do not use free labels, thus avoiding exaggerated advertising.</div> <div><div>Non-Preservatives Technology</div><div><div><div>· Water activity control technology</div><div>· Rapid microorganism identification technology</div><div>· Antimicrobial technology using natural/fermented/naturally derived ingredients</div><div>· Microbiome-friendly technology</div><div>· AI-based preservation efficacy prediction technology, etc</div></div></div><div><div>Non- fragrance Technology</div><div><div><div>· Technology to analyze off-odor or residual scent using GC-MS(Gas Chromatography Mass Spectrometer), GC-IMS(Gas Chromatography-Ion Mobility Spectrometer)</div><div>· Aroma sensory evaluation measurement technology</div><div>· Product/raw material odor evaluation and management technology</div></div></div><div><div>Trace Analysis Technology</div><div><div><div>· Substance qualitative/quantitative analysis technology using NMR(Nuclear Magnetic Resonance), LC-MS(Liquid Chromatography Mass Spectrometry)</div><div>· Trace contamination detection technology using LC-MSMS/GC-MSMS</div></div></div></div></div></div>		<div>Alternative Testing Methodologies to Animal Testing for Cosmetics</div> <div>Amorepacific Group has long been a leader in the research of alternative methods to animal testing. We have been participating in research on alternative animal testing methods since 1994, and in 2008, we voluntarily stopped all in-house animal testing. In 2013, we expanded the ban to include all of our suppliers. This was a much earlier action than the regulatory ban on animal testing for cosmetics in South Korea, which was legislated in 2017. We rigorously assure the safety of our products not only through our own developed testing methods but also by leveraging reliable international methods such as OECD guidelines and ECVAM-approved tests.</div> <div>Amorepacific’s research and development efforts have been proven through international research activities, as well as publications and patent applications. We are internationally recognized for our continuous academic contributions at overseas symposiums. Recently, the company has been advancing technology that simulates human organs and blood vessels through the development of 3D hybrid artificial tissues and is also dedicated to the development of skin permeation prediction programs and related databases, thereby leading the next generation of research in alternatives to animal testing.</div> <div>In 2023, Amorepacific became the first South Korean member of the ICCSInternational Collaboration on Cosmetics Safety, starting initiatives aimed at accelerating the global adoption of alternative animal testing methods and leading global discussions to enhance animal welfare.</div>	<div>Development of Vegan Material Technology</div> <div>Amorepacific is developing and advancing vegan material technology to replace animal-derived ingredients. Amorepacific has historically used only a very select number of animal-derived ingredients that have been verified for safety and quality and do not violate bioethics, upholding even stricter standards than various domestic and international regulatory requirements. However, the company has succeeded in developing technologies that can replace such animal-derived ingredients and continues to further develop and expand vegan material technology. For example, innovations such as deriving squalene from plants like olives instead of from fish, or implementing the efficacy of fish collagen through bio-recombinant technologies are some of the advancements Amorepacific has made. By continuously scientific innovation in the vegan raw material technologies, Amorepacific strives to deliver sustainable beauty to the world.</div> <div>Research on Sensitive Skin</div> <div>Amorepacific Group has been dedicated to research on sensitive skin since launching the first Korean sensitive skin specialty brand ‘SoonJung’ in 1988. To support this endeavor, the company has established a reliable research foundation in collaboration with major hospitals in Korea. Amorepacific’s research goes beyond Korea, analyzing the skin characteristics and sensitivities of consumers in China, the United States, Europe, and Southeast Asia. We have strengthened our unique sensitive skin assessment system through research on microbiome characteristics and diagnostic studies based on genetic polymorphism. In particular, Amorepacific Group is expanding its research scope based on the understanding of various skin areas such as the scalp, eyes, and lips. As a result of this expanded understanding, the group is continuously striving to offer customers more in-depth and personalized sensitive skin solutions.</div>	<div>Production Quality Innovation</div> <div>Amorepacific maintains the Quality Management System ISO 9001 and GMPGood Manufacturing Practices ISO 22716 certification to provide consistent quality that meets the demands and expectations of our customers. Through this, the company contributes to enhancing customer satisfaction by implementing comprehensive quality control based on GMP. For instance, Amorepacific’s simulation-based optimized equipment design enables unique quality control of formulations during the manufacturing process. Additionally, the continuous introduction of new technologies plays a vital role in innovating Amorepacific’s production processes. We provide customers with customized products in real time, using AI technology that has learned the composition of cosmetic contents, enabling precise mixing of various ingredients. In January 2024, Amorepacific’s Osan Amore Beauty Park was selected as a ‘Global Lighthouse Factory’ by the World Economic Forum in recognition of actively applying Fourth Industrial Revolution technologies, such as AI and IoT, to its processes.</div>		

Water Resource Management

Amorepacific places great importance on the procurement and usage of water necessary for cosmetic production and efficiency and safety of the final discharge process. Our main production site, Osan Amore Beauty Park is establishing an innovative recycling system to conserve and reuse water resources.

Establishment of Water Resources Recycling Masterplan

Amorepacific’s main production site, Osan Amore Beauty Park, has successfully established a masterplan for a water recycling system aimed at reducing the consumption of municipal water (tap water). This plan includes detailed mapping of municipal water usage points in the production process and the adoption of advanced electronic water flow meters as part of its investment activities. As a result, it is now possible to monitor real-time, precise municipal water usage, and this data plays a crucial role in identifying points with relatively high consumption. Based on this essential monitoring process, Amorepacific meticulously assesses the potential for reduction at each municipal water usage point and will prioritize and implement effective municipal water reduction solutions.

Expansion of Rainwater Utilization

Osan Amore Beauty Park is dedicated to the increase of recycled rainwater usage and the exploration of new place of use, with a particular focus on increasing rainwater storage even during the cold winter season. To this end, Amore Beauty Park has concentrated efforts on resolving the issue of freezing of a rainwater tank, which has led to investments for stable supplies of rainwater. Thanks to the expansions and improvements in the rainwater management system, the value of utilizing rainwater has significantly increased. As a result, the range of uses for rainwater has been extended beyond the original applications such as laundry water, fire water, and utility water supply, to now also include incorporation into the non-contact process water for production.

Wastewater Recycling

At Osan Amore Beauty Park, by recycling the wastewater that would normally go through a in-house treatment process and then be discharged to Osan city’s sewage treatment plant, the reuse water quantity has increased from the previous 1,300m³ to 4,300m³. In an effort to efficiently utilize these secured water resources, we have expanded the designated areas within Amore Beauty Park to utilize the recycled landscaping water. This has had the effect of saving approximately 3,000m³ of water resources that would have been supplemented with municipal water and groundwater. By successfully completing the licensing process for using recycled water, we have established a foundation for more actively recycling used water. As a result, Amore Beauty Park has become an exemplary model in realistically implementing water resource recycling by fully meeting its entire landscaping water demand with recycled wastewater.



Landscape Water Using Recycled Water at Amore Beauty Park

In order to raise awareness among all employees about waste separation and reduction, Amorepacific is producing and broadcasting a variety of campaign videos. Our awareness efforts on waste management are not confined internally but regular training is also provided to our suppliers, imparting the correct sorting methods and knowledge on waste storage management.

Reducing the Environmental Impact of Production Sites

Achieved Zero Waste-to-Landfill in Production Sites

Amorepacific achieved its mid- to long-term goal of zero-waste-to-landfill in our global production sites in the first half of 2022, ahead of scheduled plan. To accomplish this, various resource circulation methods were actively pursued, including recycling waste such as dust collected from production facilities. In particular, Osan Amore Beauty Park has achieved a resource circulation rate of over 94%. As a result of these efforts, in March 2022, Amorepacific was the first in the beauty industry to acquire the silver grade in the ZWTL^{Zero Waste to Landfill} international verification and went on to surpass this achievement by obtaining the platinum grade in August 2023, certifying a 100% recycling rate. The waste processed at Osan Amore Beauty Park is separated into 21 types at specialized recycling centers and recycled in 12 different ways. Moreover, more than half of the dust waste is recycled as base materials required for road construction, maximizing the value of the resources.

In the first half of 2023, this advanced waste management system was introduced at Daejeon Daily Beauty production site and the Cosvision production site, with both facilities achieving the highest grade of platinum in the ZWTL verification. At Anseong Healthcare production site, which mainly produces health functional foods and derma cosmetics, the incineration waste has been converted to recyclable waste since May 2023, and preparations are underway to undergo the ZWTL international verification in 2024.

Air Pollution Management

Daejeon Daily Beauty production site, Participation in a Voluntary Agreement for Reducing Fine Dust with Daejeon Metropolitan City

Amorepacific is contributing to the reduction of fine dust and air pollutants in order to protect the atmospheric environment and promote sustainable production activities. In September 2023, Amorepacific Daejeon Daily Beauty production site joined a voluntary reduction agreement for the reduction of fine dust along with 14 other corporate factories in the same region, leading the effort in environmental protection. Additionally, Amorepacific plans to continue its ongoing investment efforts to reduce the emission of air pollutants, including fine dust, and to maintain a clean air.

Osan Amore Beauty Park Makes a New Investment for Odor Management

Amorepacific's Osan Amore Beauty Park has set standards stricter than the legal allowance, and completed significant improvement works for odor removal to provide the local residents with a clean atmospheric environment. The existing odor-generating wastewater treatment process has been changed to an enclosed type to reduce odor emissions, and the impact of proficiency on work efficiency has been decreased by applying a one-touch operation system. In addition, by enclosing all moving parts the safety risk has been reduced, and unmanned automation has enabled strategic and efficient manpower operations. Through these investments and improvements, Amorepacific is leading the way in realizing safe and healthy working environment and fulfilling its environmental responsibilities to the community.

Conservation of Biodiversity

Conservation and Sustainable Use of Biodiversity

Preserving biodiversity is closely tied to the company's business, as a significant portion of Amorepacific's raw materials comes from plant resources.

We have established a specific strategy to utilize biological resources in a more sustainable way and to preserve biodiversity, and since 2021, we have invested approximately KRW 3.26 billion to conserve biodiversity and ensure its sustainable use. This investment has been continuously directed toward research for discovering the hidden value of indigenous plant resources of the Korean Peninsula.

Indigenous plants of the Korean Peninsula require attention due to the deterioration of their natural habitats caused by climate change and human activities. To create public interest in the protection of these plants and ensure their continuous use, we are conducting joint research with organizations like National Institute of Biological Resources and the Baekdudaegan National Arboretum while exploring their beneficial properties for the skin.

Moreover, Amorepacific applies international standards from organizations such as the IUCN^{International Union for Conservation of Nature} in our raw material management systems before using any raw ingredients, to review any potential impact on biodiversity.

We are also continuously engaged in conservation activities to protect the environment in areas surrounding our production facilities. As a prime example, since 2016, we have participated in ecological river improvement activities for Osancheon Stream in Osan City, where Amore Beauty Park is located. The environmental improvement activities, such as the creation of a wetland ecology park and the installation of ecological education facilities, have led to the water quality of Osancheon Stream, which had fallen to class 5 (Very bad), being purified to class 2 (good). The improvement in the local ecological environment has been remarkable, evidenced by the discovery of otters, a class 1 endangered species, in Osancheon Stream.

Conservation and Utilization of Biodiversity

Packaging Material Resource Recycling

Strengthening Packaging Management and Fulfilling Producer Responsibility

Amorepacific is managing the weight and material information of packaging in the purchasing process and is reporting annual packaging usage in compliance with the EPR^{Extended Producer Responsibility} requirements of the countries where the business operates. We faithfully pay the costs incurred in the recycling process of packaging waste, and with a sense of responsibility in decision-making regarding product design and packaging material selection, we are working to minimize the environmental impact.

Usage of Plastic Packaging¹⁾

Category		Unit	Plastic Packaging Materials
Rate of recycled material used for plastic packaging	Percentage of recycled material out of total plastic packaging by weight	%	23.8
	2023 Target	%	10.0
Total weight of plastic packaging	Total weight	tonnes	7,303
	2023 Target	tonnes	12,387

1) The weight of packaging materials is aggregated based on the Extended Producer Responsibility (EPR) for 2023, in Korea

2) The percentage of recycled content within plastic packaging materials is calculated including the recycled plastic purchased from outside

Signing of a Business Agreement to Activate the Collection and Recycling of Cosmetic Glass Bottles in Public Housing

In February 2024, Amorepacific Group signed an agreement, the first of its kind in South Korea’s beauty industry, with the Korea Resource Circulation Service Agency to initiate a pilot project for the collection and recycling of cosmetic glass bottles targeting public housing (such as apartments).

Following the agreement, in April 2024, two apartment complexes in Osan City, Gyeonggi Province, and three in Cheonan City, Chungnam Province, participated in the pilot project. We designed and supplied separate collection bins for cosmetic glass bottles to the participating apartment complexes, and the separately collected bottles would undergo an initial sorting process at the Osan logistics center. After the primary sorting, the glass bottles are then to recycling facilities, where they would go through processes such as selection and crushing. The recycled material would then be included as part of the raw materials by Amorepacific Group’s primary packaging supplier, Verescence Pacific. Verescence Pacific completed third-party verification in March 2024 for the use of 10% recycled glass PCR^{Post-Consumer Recycled} material in cosmetic containers, according to the standards of the European Container Glass Federation (FEVE).

The cosmetic glass bottles collected through this apartment pilot project will also be incorporated into Verescence Pacific’s existing glass recycling process. They are expected to be used as recycled materials for containers of Amorepacific’s major brands, such as Sulwhasoo, Laneige, Hera, and Hanyul.

LESS PLASTIC. WE ARE FANTASTIC! Campaign

Since its foundation, Amorepacific Group has worked to create a more beautiful world with deep empathy for our customers, society, and the natural world all around us. In 1993, as the first in the domestic beauty industry, we dedicated ourselves to taking full responsibility for the impact of our products and initiated the ‘Taepyeongyang (Pacific) Green Movement.’ Since then, we have engaged in various activities encompassing the 4Rs—Reduce, Recycle, Reuse, Return—to minimize unnecessary plastic use. In December 2023, we launched the ‘LESS PLASTIC. WE ARE FANTASTIC!’ campaign, promising to reduce plastic usage at the group level and to resolve plastic issues together with customers and various stakeholders. Through this campaign, we are not only continuing our existing 4R activities but also creating new changes in the way plastic products are made, bought, used and discarded.

In addition to ‘AMORE:CYCLE’ for the collection of cosmetic empties, we are also operating programs intended to improve the plastic awareness and practices among our employees, as well as collaborating with the ‘FANTASTIC CREW’¹⁾ and social enterprises and social ventures to discover solutions for plastic issues. Detailed information about the ‘LESS PLASTIC. WE ARE FANTASTIC!’ campaign can be found on AMORE STORIES.

[AMORE STORIES](#)

- 1) Ambassadors who actively engage in plastic reduction activities with Amorepacific consist of various clubs that actively advocate for a healthy life and environment. They continue their efforts to reduce plastic in their daily lives through the FANTASTIC KIT, striving to promote wider adoption of plastic reduction.



Logo and Poster



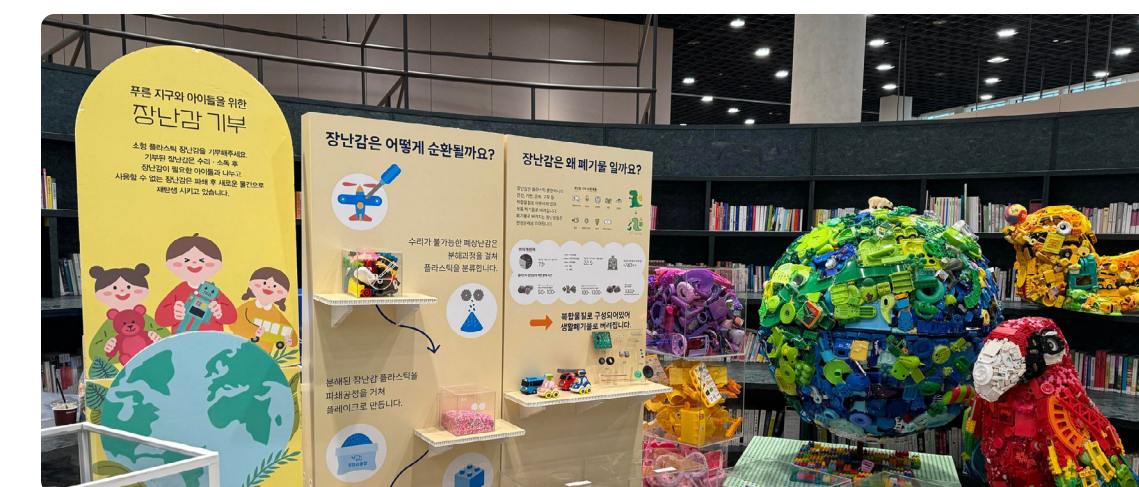
FANTASTIC KIT



FANTASTIC CREW

Spreading a Culture of Plastic Reduction Among Employees

As part of the ‘LESS PLASTIC. WE ARE FANTASTIC!’ campaign, Amorepacific has been fostering a culture of reducing plastic use among its employees, and for this purpose, has collaborated with various social enterprises. Particularly, Amorepacific collaborated with Elephant Factory, which supports vulnerable children and recycles plastic toys, to raise awareness of environmental protection. We also set up an upcycling exhibition with The 4th place, which offers a circular economy model through the production of recycled plastic sheets, to provide practical recycling solutions. Additionally, Amorepacific spread the awareness of the value of reusing clothing by partnering with the Wearagain, which strives for a sustainable fashion industry. Along with Oysterable, Amorepacific introduced a multi-use cup system in our internal café. From December 2023 to February 2024, over three months, a total of 3,816 disposable cups were replaced, and the multi-use cups were reused on average 9.8 times, leading to a 12.5% reduction in carbon dioxide emissions compared to the use of disposable cups. This initiative has been an opportunity to internally spread the recognition that small daily practices by employees can significantly contribute to environmental protection.



Employee Participation in Plastic Reduction Activities, ‘AMORE:LESS PLASTIC’

Packaging Material Resource Recycling

Signing of a Business Agreement with LG Chem to Expand the Use of Recycled Plastics

With the MOU signed with LG Chem in 2023, Amorepacific is jointly conducting development research to apply recycled plastic materials to cosmetic containers. Through this collaboration, we plan to establish a plastic recycling partnership model that will not only expand the use of recycled plastics but also develop materials that reduce carbon emissions during the manufacturing stage. Amorepacific expects that this agreement, based on a business consensus on the expansion of the resource recycling market, will create extended synergies. Through this, Amorepacific aims to continue its innovative activities under the sustainable management goal of ‘A MORE Beautiful Promise,’ by reducing plastic use in product packaging and targeting 100% recyclability, reusability, and compostability.

Winning the Minister of Environment Award on Resource Circulation Day

Amorepacific received recognition for its outstanding achievements in reducing packaging and disposable products, as well as promoting recycling, by being selected as excellent business in the ‘2023 Packaging and Disposable Products Reduction Award’ organized by the Ministry of Environment to commemorate the ‘15th Resource Circulation Day.’ Having won the Minister of Environment Award, Amorepacific demonstrated substantial efforts to protect the environment by contributing to the reduction of packaging materials through the elimination of unnecessary packaging and lightweight packaging. We also took the lead in promoting the efficient use of resources by transitioning to the use of recyclable bioplastics and introducing product refills. Through the AMORE:CYCLE

initiative, Amorepacific contributed to the improvement of awareness about package recycling by recycling empty bottles after use and establishing a collection and recycling system for cosmetic bottles.

Utilizing Upcycled Materials for Space Composition

PLATE [A]¹⁾ has transcended its role as just a material. We created our own spaces using upcycled props, furniture, and finishing materials inspired by PLATE [A]. In 2022, for the new commerce office space ‘Café N,’ we newly designed the façade signage and the experiential space furnishings. For the 2023 renewal of the ‘E-mart Yeonsu Branch’ store, we applied vividly colored panels to the sides of the fixtures, aiming to enhance the store’s uniqueness and appeal.

1) Amorepacific’s upcycled plate featuring unique patterns and colors preserved from cosmetic bottles



Amorepacific Upcycled Plate

Environmental Education

Employee Environmental Education Program

Amorepacific Group is actively working to ensure that all employees have a deeper understanding of eco-friendly management and the ability to put it into practice. To this end, the company has offered an educational program comprised of a wide range of topics related to regulatory compliance, from education on environmental labeling and advertising in marketing to the management of chemicals. In particular, we designed customized in-house training related to climate change and plastic issues, which have been selected as key corporate concerns, as well as advanced external training with heightened expertise, so that all employees can internalize the values of ESG and apply them to their work. In addition, to professionally respond to Chemical Substances Control Act, we have been conducting capability enhancement training for environmental coordinators, which can be applied to practical work.

Total
1,743 employees
Number of Participants in Environmental Education
(As for Amorepacific Group)

Total
4,729 hours
Environmental Education Hours
(As for Amorepacific Group)

Stakeholder Engagement

Amorepacific is expanding the door to two-way communication through active environmental communication with various stakeholders. In January 2023, we welcomed students from Cornell University in the United States and shared Amorepacific’s vision for sustainability and brand activities with them. It was an important opportunity to inform about Amorepacific’s ESG achievements, while also listening to the perspectives of global university students on market changes in the cosmetics industry. Additionally, in October 2023, we introduced the changes pursued by Amorepacific, such as sustainable cosmetic packaging materials and ingredients, and brand marketing strategies, during a meeting with the Youth Supporters for Carbon Neutrality organized by the Ministry of Environment. The participating youth were provided with opportunities for communication about corporate environmental activities through mentoring with Amorepacific employees, underscoring our commitment to stakeholder engagement activities.

Social

2023 Key Performances

Operation of ‘Low-interest Loan Funds’ for Suppliers

KRW 27.46Billion¹⁾

1) Results of Amorepacific



Total Expenditure for CSR Activities

KRW 13.44Billion



Creating a Positive Work Environment

Amorepacific Group strives to provide its employees with a happy working environment based on trust and respect in the workplace. We hire talented people with various backgrounds from different countries without discrimination, and provide customized education according to the growth phase to help develop employees’ capabilities. We take measures to provide fair evaluation and compensation based on performance and increase employees’ satisfaction through various welfare support for work-life balance.

Talent Cultivation and Growth Support

Enhancing Job-Specific Competency Development

Amorepacific Group operates the ‘Digital·Marketing·Sales, Global Academies’, job-specific competency development programs, to enable employees to respond flexibly to business changes. The program offers training based on data-driven demand forecasting and supports strengthened preparatory measures for career development. Simultaneously, it provides growth solutions tailored to the results of organizational business strategy and growth needs analysis, addressing more specialized learning needs as well.

In the Digital Academy, various programs were offered, comprising tracks in e-commerce, data analysis, AI, among others. The Marketing Academy not only focused on branding but also operated courses on content insights and product development processes. The Sales Academy conducted a retail expert course, along with company-wide sales workshops where cross-channel thematic discussions were held, joint response strategies were devised and potential collaboration with other organizations were explored. Additionally, to enhance understanding and recognition of the value of beauty that employees of a beauty company should cultivate, a ‘Total Beauty Education’ system was established, encompassing skincare, makeup, fragrance, health, and dental care.



Lecture on Understanding Different Platforms

[Case] Job-Specific Competency Development Program

Beauty Academy

At the Beauty Academy, a step-by-step program is being conducted to enhance and improve the professional competencies of employees involved in beauty-related jobs across different business areas. The program is structured to offer a tiered approach, beginning with the Basic course as foundation education and progressing to advanced courses designed for CORE groups within specific job functions. Additionally, customized learning courses tailored to the specific needs and levels required for each job are made available both online and offline to increase accessibility to education for employees.

Moreover, to nurture employees requiring beauty expertise, the AP Beauty Certification courses are provided. These courses not only benefit the employees but also have business benefits. Concurrently, they enhance the company’s reputation as a premier beauty enterprise. The influence of this program is anticipated to drive sales growth in the respective channels.



Strengthening Leader Competency Development

Amorepacific Group has announced New leadership principles to align the behavior patterns of its leaders, both domestic and international, with the group’s vision, focusing on the process of behavioral transformation among leaders. The Group is revising its leadership competency framework with an emphasis on nurturing leaders who can be customer-centric-proactive thinkers even amid continuous circumstantial changes, who can energize diverse team members, and who can act boldly despite uncertainties. The main focus is on inducing changes in the thoughts and actions of leaders to meet these objectives.

In particular, in 2023, we have placed significant emphasis on expanding the capacity-building programs targeted not only at executives but also at team managers. A ‘Coaching-Type Leader Course’ was operated to enhance the leaders’ abilities by enabling team managers to provide effective growth feedback to their members. During the company-wide team leader workshop, insights into the roles and responsibilities of leaders who drive growth were exchanged in communication sessions with C-Level executives. Furthermore, we have operated personalized one-on-one coaching and group coaching programs by pairing participants with internal/external experts, catering specifically to the individuals’ leadership development needs.

Starting from 2023, we expanded the number of participants receiving feedback from our annual leadership assessment (conducted once a year) to gather more input from the employees. By expanding the scope of participants for the one-on-one feedback sessions, we have facilitated personalized leadership comprehension sessions for managers, team leaders, and key talents, ensuring integration with subsequent leadership development initiatives.

1) Based on operation from January 2023 to May 2024

Creating a Culture of Mutual Trust and Respect

Fostering Concrete Experiences of ABC Spirit

Since the proclamation of the ABC Spirit, Amorepacific Group has been continuing its efforts to foster a consensus on values and enhance execution, through various programs and employee-driven participation processes. In 2023, we operated an organizational development program aimed at internalizing ‘Collaboration,’ one of the elements of the ABC Spirit, targeting several unit organizations. We also focused on identifying best practices through a program that praised colleagues who practiced the ABC Spirit.

In the future, we plan to concentrate on the value of ‘Innovation’ within the ABC Spirit. In response to the rapidly changing era, we aim to become an organization equipped with high dynamic capabilities for innovation. For this purpose we are looking forward to reviewing our current work methods and establishing a direction for improvement.

Improving Global Organizational Culture

Global subsidiaries are establishing a ‘working culture’ suitable for each subsidiary on the basis of a consensus on ABC Spirit. The global subsidiaries operate a series of processes from organizational culture survey to the implementation of improvements and inspection, led by the subsidiary heads, hence the subsidiary heads have been set as the role models for the organizational culture within the global subsidiaries. Following the survey of engagement by each subsidiary, key tasks for cultural improvement were derived based on the survey results. Furthermore, we conducted a ‘Culture Talk’ session, which was aimed at proclaiming the direction for cultural improvement linked to the business strategy, encompassing all employees. Subsequently, through the implementation of improvement initiatives throughout the year, and participation of regular Culture Talks with the headquarters, we periodically assess the subsidiary’s progress in business and cultural enhancements. Amorepacific Group remains committed to collaboratively exploring the future development of our global organizational culture.

Implementing Engagement Survey

Amorepacific Group conducts an annual Engagement Survey to build a culture where employees are engaged and enjoying their work. In the 2023 survey, we designed the process to undertake a substantive and detailed evaluation of the current status, which represents the initial phase of change management. This was achieved by integrating survey questions that reflect the value systems and views of the Millennial and Generation Z cohorts on the company and their work. The engagement survey targets full-time employees who have worked for more than two months across all global subsidiaries of the Amorepacific Group, and the response rate was 78.0%. The results of the survey are used to understand the current state of the organization and to embark on a series of projects aimed at creating a better company to work in. Organizational development content tailored to the specific circumstances of the organization has been shared, including the publication of company-wide and organization-specific result reports and the hosting of division-level Culture Sessions, to help deepen understanding of the organization’s engagement status and share insights that aid in the improvement of organizational culture.

Engagement Survey Results (%)

Category	2020	2021	2022	2023 ¹⁾
Amorepacific Group	43.1	45.5	45.3	47.9
Amorepacific ²⁾	37.5	39.0	40.6	43.3

1) Due to the change in internal management cycle, the assessment took place in the first half of 2024

2) Calculated based on a separate basis for Amorepacific in Korea

[Case] Employee Communication Channel

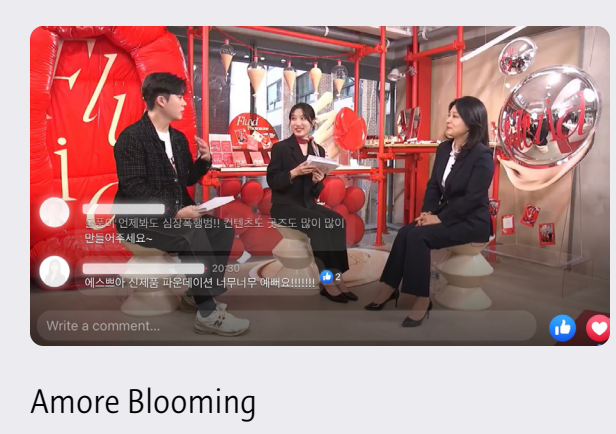
We foster a mutually developmental communication environment to establish a foundation of respect and trust, and to cultivate a healthy work culture. We are actively providing management information such as our vision and strategy to build a shared sense of purpose. Furthermore, we are expanding bilateral communication activities by actively listening to and evolving the genuine opinions of our employees, appropriately incorporating them into management decisions.

Team AMORE Conference

This is an annual session for all employees, centered around the start of a new business cycle. It is an occasion to share and discuss the company-wide strategic direction and business agenda for the year. Alongside this, communication programs related to the theme of the event and management strategy are also conducted.

AMORE Blooming

This is an online live broadcast created each month through the participation of our employees. An executive who is relevant to the monthly theme appears in person to share vivid stories about management and operations. By conducting Q&A sessions, surveys, and other real-time communication activities, we are expanding employee participation.



Creating a Culture of Mutual Trust and Respect

[Case] Employee Communication Channel

Team AMORE Board

This is a new internal anonymous forum launched in 2023. It allows employees to freely post on various subjects without limitation, ranging from personal and work-related stories to the company’s strategic direction, human resources, welfare systems, and business proposals. A notable feature of this platform is that for suggestions and questions, an official response from the company or the relevant department can be received. We are also expanding specialized communication activities that connect the company with its employees, such as conducting member surveys on global business for the result to be reflected in the CEO’s New Year’s management message.

Town Hall Meeting

This is a program where employees can directly ask questions about the management and business environment and receive feedback from the Chief Executive Officer. It operates regularly not only through company-wide online communication channels but also through offline workshops at each brand and sales department level.



Town Hall Meeting

Establishing a Win-Win Labor-Management Relationship

Over the past 30 years, Amorepacific has maintained a harmonious labor-management relationship based on mutual trust, keeping the workplace free from disputes. Amorepacific Group and its domestic subsidiaries¹⁾ comply with labor laws and regulations and conduct autonomous checks of employment conditions at least once a year. As of 2023, there are 1,637 employees who are actively participating in the Amorepacific labor union, which accounts for 37.1% (out of 4,411 eligible employees) of the eligible employee group.

Amorepacific respects the freedom of association for its employees, including the right to join labor unions. Employees can freely join or withdraw from the labor union according to their personal will. The collective agreement that applies to all employees is concluded biannually. The labor-management council operates quarterly and discusses important labor-related issues such as employee welfare enhancement, grievance processing, and safety management. In addition, various irregular communication channels are maintained, including management briefings, business plan sharing, and union member meetings. The Labor Relations Team and the Human Resources Team at Amorepacific ensure that a cooperative and symbiotic labor-management relationship is built by monitoring the current status and striving to resolve issues.

1) Amorepacific, Etude, Innisfree, AmosProfessional , Espoir, Osulloc, Cosvision, Osulloc Farm, WeDream, Green Partners

Pursuing Work-Life Balance

Supporting Maternity Care

Amorepacific operates various systems to support maternity care and to promote health and welfare, so that its employees can pursue a balance between work and life.

For the protection of health for female workers during pregnancy and childbirth and to support the compatibility of work and family, we comply with the relevant legal matters, such as enabling working hours reduction/change, allowing time for fetal examinations, and prohibiting working overtime. In addition, we maintain internal support systems that include the operation of a program for expectant mothers, provision of monthly salaries during the legally mandated unpaid maternity leave period before and after childbirth, and allocation of additional leave in the instances of miscarriage or stillbirth (additional 5 days of leave for pregnancies that end within the first 11 weeks).

Additionally, we are implementing various legally mandated provisions such as parental leave, reduced working hours for childcare, and family care systems. To ensure our employees can take adequate rest and facilitate their return to work, we provide salary support for up to 90 days during the period of parental leave, which is legally unpaid, thereby guaranteeing income at the usual monthly wage level.

Employee Health & Welfare Enhancement Program

Category	Details on Supporting Program
Stress Management	AP Severance Clinic: Stress testing through autonomic nervous system examination, and consultation for mental health-care
	Happy Life Consulting: Psychological counseling services offered through phone calls, etc., without constraints of time and place
Creation of a Healthy Work Condition	Management of lighting, noise, air quality, humidity, and temperature to create an ergonomic work condition
Physical Fitness and Body Conditioning	Operation of an in-house fitness center and healing facilities
Health Support (AP Severance Clinic)	General medical consultation as well as obstetrics and gynecology, and otolaryngology (ENT) services
	Administration of vaccinations, nutritional counseling, and physical therapy including manual therapy for the prevention of musculoskeletal disorders
Operation of Floexible Working hours	Operation of a follow-up care program for individuals with findings from health examinations, conducted in collaboration with the AP Severance Clinic and regional healthcare management agencies
	A system that allows employees to autonomously distribute their working hours within the total monthly working hours limit
Operation of Remote Work Arrangements	A policy that permits employees to work remotely in accordance with the unique characteristics and work environment of their respective departments, once a week
Operation of Reduced Working Hours	A system that allows for reduced working hours for family care, personal health issues, retirement preparation, and studies, with options ranging from 15 to 35 hours per week
Operation of Nursing Facilities	Operation of lactation facilities within the women’s restrooms at each business site

Human Rights Management

As a company committed to global citizenship, Amorepacific Group respects the fundamental rights of all stakeholders. By issuing a human rights policy statement, we indicated Amorepacific Group’s commitment to human rights management. Accordingly, we strive to minimize human rights risks in business operations through human rights due diligence.

Human Rights Management System

Implementing Human Rights Policy

Amorepacific Group respects the human rights of all stakeholders in accordance with international human rights standards and principles, and supports the principles of human rights implementation. The Group has declared and is practicing the human rights policy to comply with the rights set forth by the ‘UNGCUnited Nations Global Compact, Universal Declaration of Human Rights, and national human rights commissions.’ As a global corporate citizen, Amorepacific Group ensures through its human rights policy that the human rights of all related stakeholders, including employees, customers, local communities, and suppliers, are respected in all aspects of the Group’s management activities. We strive to prevent any act of complicity or collusion in human rights abuses. In particular, to prevent human rights abuses in the supply chain, compliance matters are specified through the labor/human rights section of the supplier sustainability management guidelines.

[Human Rights Policy Statement](#)

Operating Grievance Handling Channel

Amorepacific Group operates grievance handling channel to identify and prevent human rights violations that may occur among various stakeholders and in local communities (The hotline channels are operated in Korean, English, and Chinese). Whistleblowers can report issues confidentially or anonymously and are protected from unfair retaliation. External stakeholders also have access to the channel, and their accessibility has been enhanced by including the availability of the communication channel in the supplier sustainability management guidelines. The information received is processed transparently, and remedial actions are implemented to ensure that human rights violations do not recur, with ongoing monitoring in place.

Implementing Human Rights Education

Amorepacific Group is conducting regular education to strengthen the awareness of human rights among all employees. In 2023, the company conducted regular online courses, including education to prevent sexual harassment in the workplace and to improve awareness of disabilities. Additional education was provided for those who did not complete the training and for new hires. Through education on improving awareness of human rights, the company is working to prevent sexual harassment that can occur in the workplace, spread the value of coexistence, and enhance the perception of disabled workers.

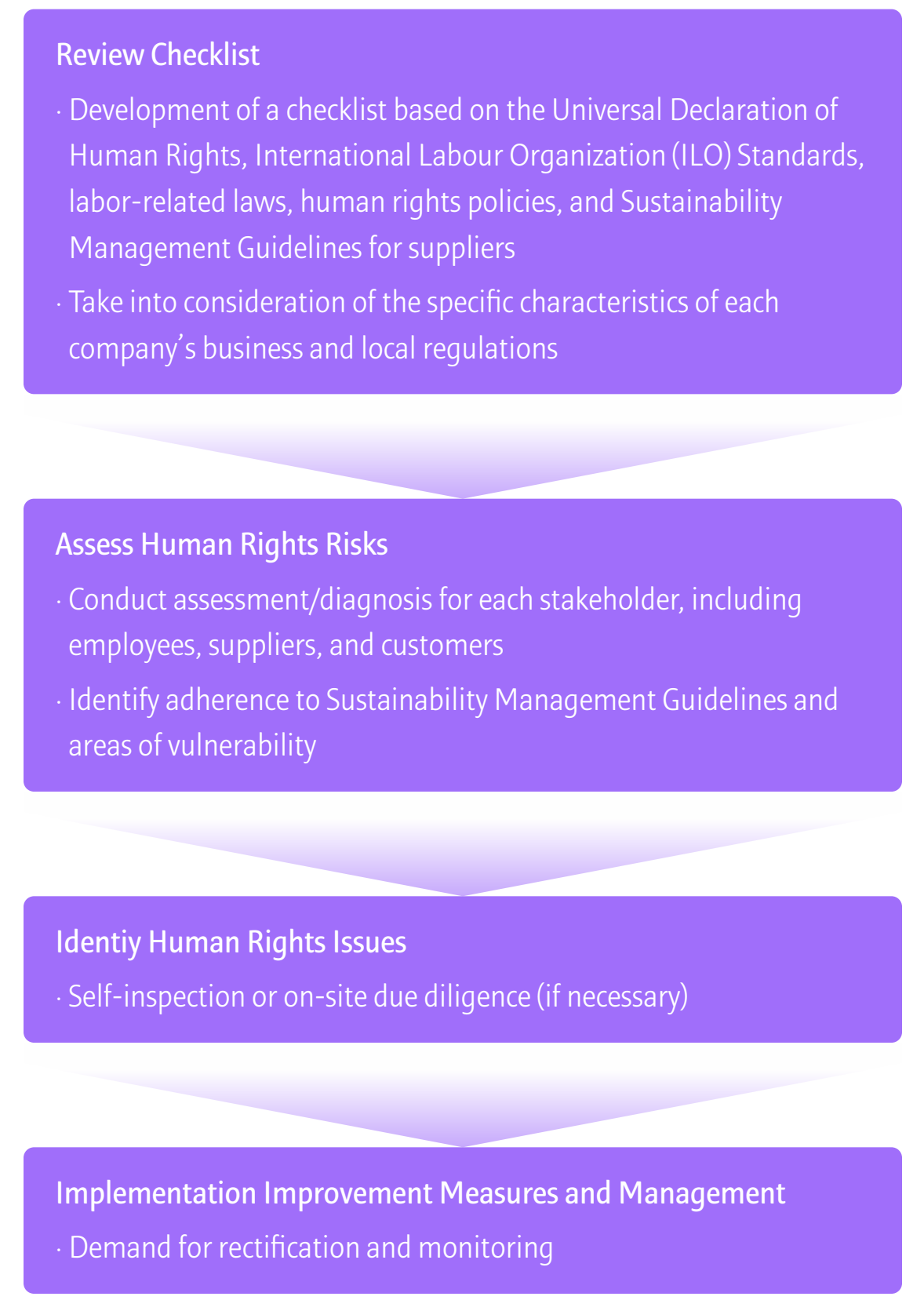
Management of Human Rights Risks

Amorepacific Group is committed to preventing human rights abuses that may occur throughout the business process by identifying the negative impacts on human rights across its value chain, followed by mitigation activities and improvement measures. The Group conducts human rights risk assessments for each stakeholder, including employees, customers, local communities, and suppliers, to uncover potential risks. Through the assessment, we identify substantial human rights issues such as forced labor, child labor, worker discrimination, consumer rights, and the environmental rights of local communities. With this information and taking into consideration of the past human rights issues for their frequency and severity, we conduct on-site due diligence when necessary.

In 2023, we carried out a diagnostic in the form of surveys including ethical consciousness for domestic and international employees using a self-inspection approach. Based on the results, we implemented improvement activities and training

for each organization, for areas in need of improvement. In addition, as a result of performing sustainability management assessments targeted at our suppliers, it was found that worker-related human rights risks have emerged in some supplier companies. For high-risk suppliers where key issues were identified, we provided improvement guides and demanded the implementation of improvement plans.

Human Rights Due Diligence Process



<div> <div> <div></div> <div></div> </div> <div>54</div> </div>	Chapter 1. Our Company	Chapter 2. Our Approach to Sustainability	Chapter 3. Our Performance	Chapter 4. ESG Factbook	Chapter 5. Appendix
Human Rights Management System					
The Results of the 2023 Human Rights Risk Assessment and Improvement Measures					
Subject	Key areas of human rights	Inspection/Diagnostic Methods	Key Human Rights Issues	Details on the implementation of improvement measures	
Employees	Working conditions	Self-diagnosis of compliance with Working conditions	Non-compliance with labor regulations	<ul style="list-style-type: none"> The self-diagnosis identified one case for improvement, which has been discovered and successfully addressed 	
	Safety and health	Job stress diagnosis	Need for management of employee mental health due to job stress and other factors	<ul style="list-style-type: none"> The ‘EAP’ program is in operation, aimed at resolving psychological issues related to stress for employees and their families (participant satisfaction rating of 4.7 out of 5) 	
	Humane treatment	Operation of an anonymous reporting channel	Workplace bullying and sexual harassment	<ul style="list-style-type: none"> Implementation of education for the prevention of workplace bullying and sexual harassment and to raise awareness on people with disabilities Completed remedical actions on three workplace bullying and sexual harassment grievances through counseling and investigation 	
	Prohibition of discrimination	Measurement of employee awareness level	Need to raise awareness of diversity and inclusion	<ul style="list-style-type: none"> As a result of conducting awareness improvement programs, such as in-house diversity and inclusion education, lectures, and distribution of guides, a total of 2,739 employees participated 	
Customers	Consumer rights protection	Inspection of VOCs prone to consumer disputes	Need for consumer claim risk management	<ul style="list-style-type: none"> Conducting of real-time consultations to improve the quality of customer experience Regular analysis of customer VOC (Voice of Customer) and strengthening of database (DB) management Implementation of customer claim response processes for early risk prevention 	
		Personal information security inspection	Prevention of harm related to personal information	<ul style="list-style-type: none"> Conducted reviews on the security of 109 cases related to the construction of a new information system Security diagnosis and improvement for 125 suppliers that handle personal information Performed legal compliance and safety inspections for 73 personal information processing systems Executed 86 cases of simulated hacking tests and subsequent improvements 	
Local Communities	Environmental rights protection	Inspection on the status of local community environmental protection	Regular activities necessary for environmental protection in Osan city, where the production site is located	<ul style="list-style-type: none"> Conducted environmental clean-up of the Osan Industrial Complex and the surrounding area of Osan Stream for the improvement of the local community environment 	
Suppliers	Responsible sourcing and supply of materials	Sourcing of RSPO-certified palm oil	Prevention of harm to local communities and indigenous people within the supply chain due to indiscriminate palm oil harvesting	<ul style="list-style-type: none"> Achieved a 91.5% conversion rate to RSPO-certified palm oil from regular palm oil 	
	Labor/Human Rights of Supplier Workers	Assessment on Supplier Sustainability Management	Issues with insufficient policies, such as worker employment regulations and human rights charters	<ul style="list-style-type: none"> Established improvement project plans for the promotion of workers’ rights targeting 12 high-risk suppliers 	

Diversity and Inclusion

Amorepacific Group respects the value of diversity and inclusion, and aims to nurture a culture in which employees from different backgrounds can exchange thoughts and grow in a free environment. To this end, we have established a diversity and inclusion policy, internally building an organizational culture with a high level of diversity and inclusion, while externally conducting communication activities such as inclusive marketing taking diversity into consideration.

Diversity and Inclusion Policy

1. Respecting Employee Diversity

Every unique characteristic of our employee deserves to be respected, and these individual differences must be mutually recognized and respected.

2. Zero Tolerance for Discrimination

We prohibit discrimination of any kind on the grounds of gender (including pregnancy), nationality, regional background, race, religion, disability, academic background, sexual orientation, gender identity or expression, with respect to a person’s employment, work performance, or promotion, as well as any discriminatory behavior against legally protected minorities.

3. Providing Employees with Opportunities for Participation

Our employees can freely voice their opinions on diversity and inclusion, and we encourage them to collaborate in diverse and inclusive ways.

4. Inclusive Marketing

We promote the value of diverse and inclusive beauty in product development and marketing communication.

Internalization of Diversity and Inclusion

Amorepacific plans to implement participation programs for domestic and international employees and stakeholders by 2030 to fulfill Promise 2 of ‘2030 A MORE Beautiful Promise,’ Promote diversity and inclusion across all our global workplaces and beyond, while seeking harmonious growth with all our stakeholders.

Publication and Training of Diversity & Inclusion Communication Guide

Amorepacific Group is carrying out various communication activities to raise awareness among its employees under its diversity & inclusion policy.

We have published and distributed the “Diversity & Inclusion Beauty Communication Guide” to our employees to ensure that diversity & inclusion is taken into consideration when rolling out marketing contents such as brand advertisements, social media contents and campaigns. Moreover, we conducted diversity & inclusion communication training for employees in design, marketing, sales, and other functions. Interviews with key brand business unit employees were conducted to assess diversity & inclusion risks and to propose improvements for communication strategies.



Diversity & Inclusion Beauty Communication Guide and Training

Deployment of Diversity & Inclusion Awareness Improvement Programs

Amorepacific Group is conducting diversity and inclusion awareness improvement programs for our employees by selecting socially significant days. In 2023, in celebration of International Women’s Day, we organized a special lecture for employees featuring big data analysis expert Song Gil-young on the topic of “Advantageous Diversity: The Importance of Delicate and Varied Approaches.” During this lecture, corporate perspectives on diversity were shared and discussed with our employees, encouraging them to consider and converse about the issues that need to be addressed from within the company. Furthermore, in line with the celebration of International Day of People with Disability, Amorepacific introduced its subsidiary, WeDream, which operates as a standard business for persons with disabilities, and the “Universal Advisory Group” through its in-house online live broadcast, “Amore Blooming”. The video introducing the “Universal Advisory Group” showed the process of some employees from WeDream participating, sharing their reviews of the company’s products and improving the design to be more user-centric.



Special Lecture in Commemoration of International Women’s Day



Introduction Video of WeDream and the Universal Advisory Group

Creation of Universal Design Stickers

Amorepacific Group has created universal design stickers based on the principles of diversity & inclusion, to ensure that everyone, regardless of disability, age, or gender, can enjoy their own beauty. The universal design stickers were classified into two types: Braille stickers for the visually impaired and stickers with large print for those with low vision, which were then freely distributed.

Visually impaired employees from WeDream participated in the sticker creation process as part of the Universal Advisory Group, offering a variety of suggestions from product development to usability convenience.



Universal Design Stickers (Large Print Stickers, Braille Stickers)



Mise-en-scène Launches Shampoo with Raised Embossing

In January 2024, Mise-en-scène launched products with universal design in its professional franchise, enhancing convenience for all customers regardless of disability or age. Mise-en-scène Professional Shampoo features a raised 'S' embossed on the top of the shampoo pump, allowing customers who are not familiar with Braille to make clear and easy distinctions between the products.



Mise-en-scène Introduces Universal Design Products

Labo H Initiates ‘Brush for Everyone’ Development Project

Labo H has carried out a valuable social collaboration project in partnership with the Amorepacific Empathy Foundation, Amorepacific Creative Center, and young designers from the University of Seoul.

Starting from the question, “What if we could all shampoo our hair easily and enjoyably?” the project, conducted alongside these young designers, conceptualized a tool design inclusive of everyone. This led to the creation of a hairbrush that enables people with difficulty using their hands or arms, those who have injured their fingers, and people who wash their hair along with children, as well as individuals of various ages and physical conditions, to easily and enjoyably shampoo their hair. As a result of this innovative design, the team was chosen as the top team in the Corporate + Young Designer Brand exhibition at Seoul Design 2023 held at Dongdaemun Design Plaza (DDP).

To ensure that this product would not simply remain an idea, Labo H conducted a poll targeted at customers on its official online mall. The ‘Dual-sided Brush’ which received the highest number of votes is now under actual development consideration by Labo H.



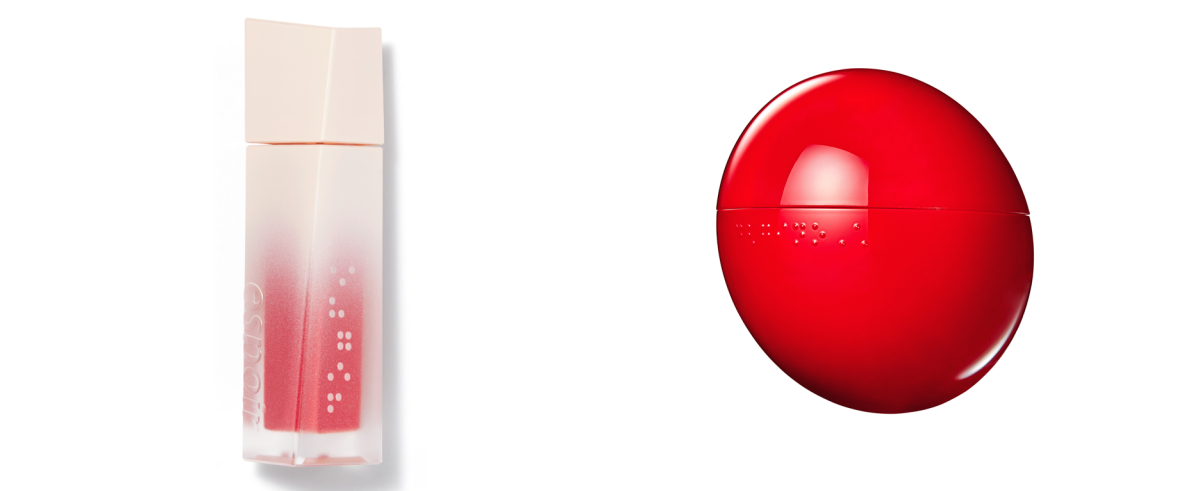
Labo H, Brush for Everyone

Mamonde and Espoir Apply Braille on Products

Grounded in diversity & inclusivity, Mamonde and Espoir have incorporated Braille into their products.

Mamonde, pursuing borderless beauty, has applied Braille to assist the visually impaired on some of its new cleansing balm and cream product boxes. The addition of Braille category names ensures accurate information is accessible when selecting products.

Espoir has aimed to reduce the inconvenience faced by visually impaired users by adding Braille markings to their lip tint containers and product boxes. Additionally, the brand applied Braille to their foundation containers for the first time in our company’s face makeup product.



Espoir Couture Lip Tint Blur Velvet

Espoir Be Velvet Fluid Foundation



Mamonde Pore Shrinker Bakuchiol Cream

Safety and Health

Amorepacific regards occupational health and safety as a core value, practicing continuous and systematic safety management across all business areas. The company has established dedicated safety and health organizations at each of its workplaces to carry out various safety and health activities. Additionally, we have allocated and implemented a budget for safety and health investments, proactively identifying and mitigating potential risks that may arise at the workplace. Amid rapidly changing external trends, the company is minimizing regulatory risks through continuous monitoring of laws and regulations.

Safety and Health Management System

Compliance with Safety and Health Management Policy

The Safety and Health Management Policy was established as the top priority to secure safety and health for all stakeholders, including employees, customers, suppliers, and local communities, under Amorepacific’s management and supervision. A safety and health management system has been established to put the policy into practice.

Safety and Health Management Policy

- Ensuring safety is the number one principle we are committed to protect in all our business activities.
- Amorepacific is dedicated to creating a safe work environment to ensure the health and safety of all employees.
- Amorepacific complies with all relevant occupational health and safety laws as well as internal safety policies.
- Amorepacific provides continued training and education on safety and health and all Amorepacific employees shall actively participate in activities ensuring a culture that prioritizes safety.
- Amorepacific shall regularly establish objectives and goals to make continued improvement as well as implement reviews and improvement measures.

Operation of the Safety and Health Implementation Organization

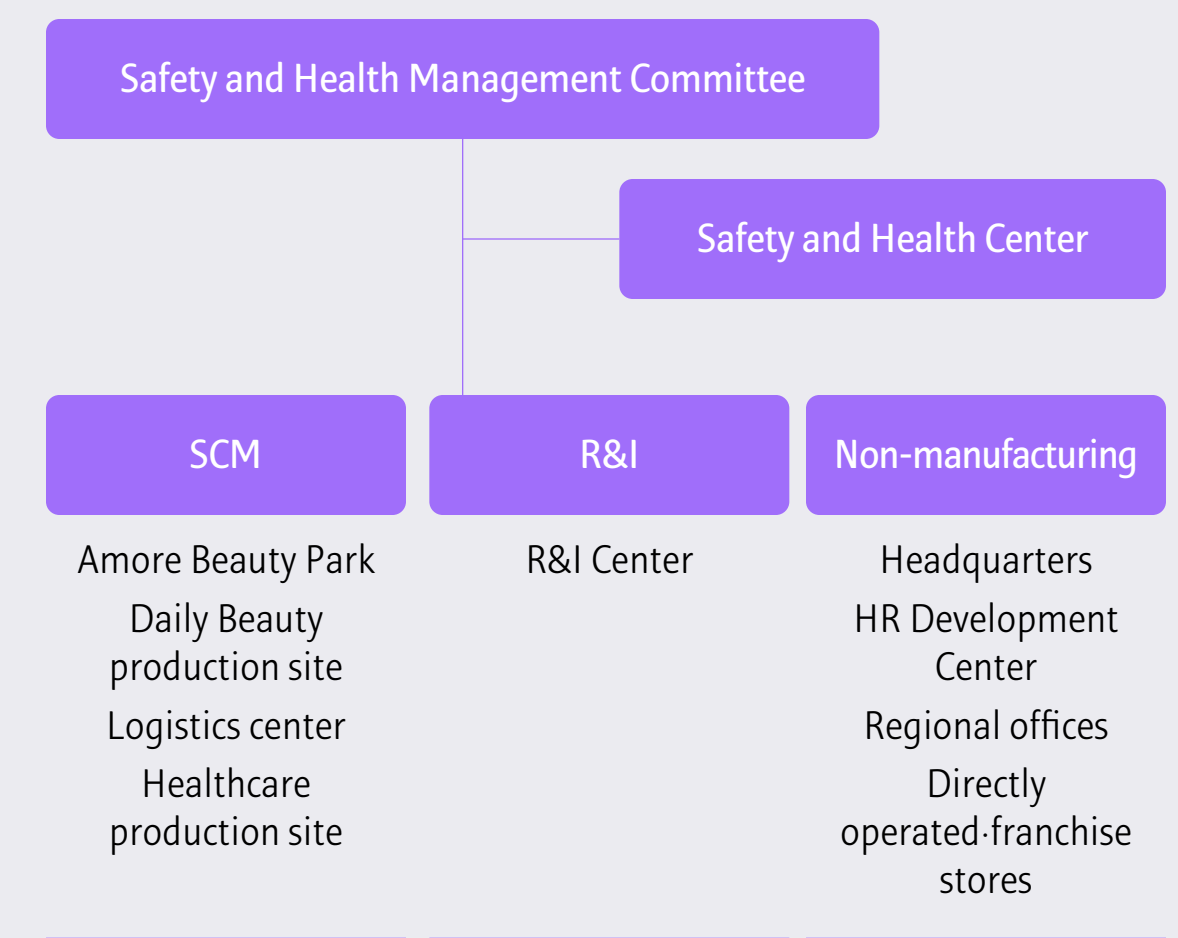
Amorepacific is monitoring the safety management performance and status of all its business sites through the Safety and Health Management Committee. The committee, composed of the CEO and executive safety and health officers (overall in-charge of workplace safety and health), examines critical internal and external safety and health issues and Amorepacific’s regulatory compliance status related to safety and health legislation on a biannual basis.

The Health and Safety Center, which oversees Amorepacific’s safety and health, rolls out various activities aimed at regulatory compliance and disaster reduction. It proactively responds to safety and health laws and regulations and identifies as well as amends potential risks across all business sites. These safety and health activities are regularly shared with business sites through a Safety and Health Subcommittee to collaboratively improve any identified risk areas.

In addition, each business site shares key issues through the operation of an Industrial Safety and Committee and a Safety and Health Council, listening to safety and health improvement suggestions from workers and In-house suppliers. Opinions gathered are considered for improvement, and the implementation results are shared the next committee meeting.

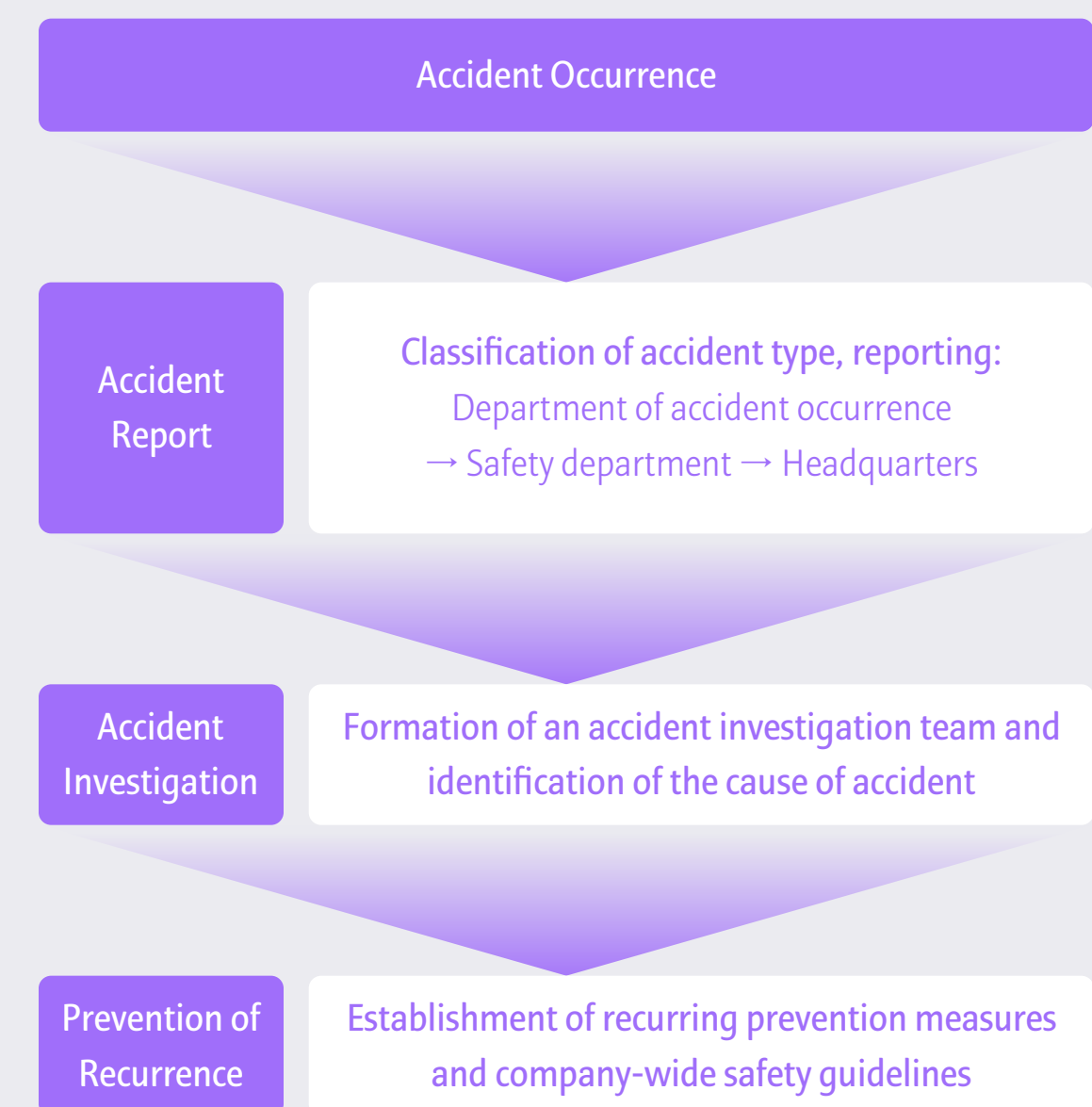
Beyond regular meetings, Amorepacific also operates a safety ombudsman channel for grievance handling. Through this channel, the company receives real-time-related concerns from all workers, including those from In-house suppliers, and improves harmful risk factors within the workplace.

Organization Chart of Amorepacific Safety and Health Management Committee



Safety and Health Management System Certification

Amorepacific’s production sites maintain certification for the global occupational health and safety management system. Osan Amore Beauty Park, Daejeon Daily Beauty production site, Shanghai Beauty production site, and Cosvision production site all uphold the ISO 45001 certification. This certification signifies that Amorepacific has established an effective management system for health and safety and is building a safety culture across the entire organization. Amorepacific is dedicated to continuously enhancing corporate safety by improving the occupational health and safety management system, identifying opportunities for improvement through periodic performance evaluations, and relentlessly working to advance the safety standards.



Safety and Health Activities

Advancement of Safety and Health IT Systems

Amorepacific is continuously enhancing Amorepacific Safety and Environmental Portal System ‘AP SHE PORTAL’ to eliminate gaps in various aspects of occupational safety and health activities and improve efficiency. Particularly in 2023, the company has digitalized the compliance diagnostics for the Serious Accident Punishment Act, enabling each business site to monitor statutory appointees, training, and other regulatory compliance matters while streamlining duplicated procedures.

Safety and Health Assessment for Contracting, Outsourcing, and Subcontracting Suppliers

Amorepacific applies its own procedures and standards for regularly evaluating the level of safety and health measures that are currently implemented by companies with whom Amorepacific conducts businesses in the form of contracting, outsourcing, and subcontracting.

Contracting, outsourcing, and subcontracting suppliers are divided into four types (office work business, low-risk business, general risk and high-risk businesses, and construction companies) for management. The company’s safety and health level is evaluated at the contract stage. Contracts are being signed only with suppliers that have the required safety and health competence, classified according to safety and health levels based on evaluation scores.

Selecting an Outstanding Company for Achieving Excellent Results in Partner Safety Management Support

As a result of conducting various support activities for the joint growth with our In-house suppliers, Amorepacific has been selected as an excellent enterprise (top 20%) in the Occupational Safety and Health Win-Win Cooperation Project. In 2023, two business sites (headquarters and Amore Beauty Park) participated in the 1st Win-Win Cooperation Program organized by the Ministry of Employment and Labor. The program involved participating in a mentor-mentee program targeting vulnerable In-house suppliers (with fewer than five employees) for site-specific safety management, and we supported various safety inspections and training. Amorepacific plans to continue creating a safe working environment for our In-house suppliers and to realize sustained mutual growth.



Selection as an Excellent Enterprise in Win-Win Cooperation Project

Efforts to Create a Safety Culture

Amorepacific has launched various activities to establish a safety culture within the workplace. In 2021, we established the Amorepacific Top 10 Safety Golden Rules and produced a series of videos illustrating the safety rules that need to be adhered to for each goal, encouraging all employees to comply. To put the Safety Golden Rules into practice, interactive campaigns were conducted. The first of these was the safety belt wearing campaign with photos of proof. The campaign was designed to ensure the wearing of seatbelt in all types of seats regardless of the mode of transportation (personal vehicles, shuttle buses, taxis, etc.) and was also structured to allow not just the employees but also their families to participate. This initiative highlighted the importance of the Safety Golden Rules and provided an opportunity to put them into practice.

At Amore Beauty Park, a Safety Week emphasizing occupational health and safety was held. To foster autonomous industrial accident prevention activities among the employees, we conducted a week full of safety and health activities, including expert-led training, emergency response drills, and VR safety and health experiences. Also, we created safety goods utilizing the company’s characters to enhance the approachability and awareness of safety, as well as to draw the attention of our employees. Moreover, a safety song containing safety awareness and safety messages was broadcast to the employees to boost their safety consciousness.



Amorepacific Top 10 Safety Golden Rules

Safety and Health Activities

Conducting Safety and Health Education

Amorepacific is committed to preventing serious accidents at workplaces and improving employees’ awareness of safety and health by providing mandatory legal education as well as safety and health education related to hazardous and risky tasks, as required by safety and health regulations. In 2023, we have created 105 types of customized educational materials aimed at increasing the understanding of hazard factors and safety rules for each production process among on-site workers. Our efforts anticipate the prevention of workers’ unsafe behaviors, the improvement of unsafe conditions, and the enhancement of response capabilities in the event of emergencies. We aim to gradually increase the workers’ ability to recognize risks through continuous education, utilizing these materials during safety inspection meetingsTool Box Meeting led by supervisory personnel.

Additionally, to strengthen the capabilities of specialized personnel in occupational safety and health at the workplace, we continue to operate a system for acquiring national certifications in safety and health. In order to help the managers of packaging and manufacturing teams acquire expertise in specific areas, we have provided them with machine safety training.

Comprehensive knowledge for safe use has been provided, upon the introduction or modification of machinery at the site. Furthermore, we plan to expand this training to on-site workers in the future.

Emergency Preparedness and Response Training

Amorepacific Group has established an emergency response management system to prevent and to minimize the potential damage from natural disasters, personal accidents, and property damage that may occur at the workplace. Through this system, emergency situations are classified into different levels, and specific roles and responsibilities are assigned for each level for a swift response in the event of an emergency. Moreover, across all business sites, emergency response drills are conducted under the assumption of various emergency scenarios. These drills go beyond standard fire drills, including various scenarios such as elevator entrapment incidents, and responses to flood and water damage, thereby strengthening the capacity to respond to emergency situations.



Emergency Response Training

Establishing Overseas Emergency Safety Management Solution

Amorepacific Group prioritizes the safety of its employees dispatched on business trips in the global business environment, and has introduced innovative and effective overseas safety management solutions.

As a part of this solution, services such as medical care, security, and psychological counseling are provided to employees stationed abroad for their health management. Additionally, in the event of an emergency, the support center guides employees to nearby medical institutions and provides medical interpretation assistance.

In addition, when employees on overseas business trips issue their airline tickets, they are automatically linked to the Tracker Map, enabling real-time tracking of the employees’ location and status. In the event of an emergency overseas, the safety and security of employees are quickly determined and responded to through real-time communication such as emergency text messaging services.

Developing Employee Health Promotion

Amorepacific has conducted the ‘Musculoskeletal Burden Task Improvement Project’ to improve work tasks that place a burden on workers’ musculoskeletal systems due to handling of heavy-weight materials and repetitive processes. A company-wide musculoskeletal disorder prevention task force was formed and together with the Ergonomics Society of Korea, worked on evaluating the workload in the cosmetic production process for about three months. Potential musculoskeletal risk factors were identified for each unit task, and improvement plans were established. Through this, Amorepacific has established the Top 10 Principles of Ergonomic Work Management and is developing a work-related illness prevention and management program.

Supply Chain

Amorepacific Group is committed to managing business risks and fulfilling its social responsibilities across the value chain. We strive to fulfill our environmental and social responsibilities to enhance sustainability of the supply chain, by supporting our suppliers through ESG capacity enhancement and risk reduction consulting.

Sustainable Supply Chain Management

Supplier Evaluation and Selection

Amorepacific aims to enhance the sustainability of its supply chain to foster a healthy corporate ecosystem. When signing the contract with the suppliers, risks associated with the country and industry are considered in advance, and risks related to sustainability management indicators, including finance, quality, human rights, safety, and the environment, are identified to assess the maintenance and initiation of new transactions.

Furthermore, Amorepacific selects key suppliers, such as significant suppliers, by comprehensively considering their impact on the company’s business, the scale of transactions with the company, the development and supply of essential packaging or raw materials, irreplaceability, and the capabilities of the suppliers.

Based on the purchasing status of 2023, out of 392 suppliers, there are a total of 45 significant suppliers. Among these, 21 are packaging-related suppliers, 15 are raw material-related suppliers, and 9 are ODM^{Original Development Manufacturing} suppliers.

Purchasing Status for Suppliers

Category	2023
Number of primary suppliers	392
Number of primary significant suppliers	45
Primary significant suppliers purchase ratio (%)	63
Number of secondary significant suppliers	15
Number of primary and secondary significant suppliers	60
Local purchase ratio at overseas business sites (%)	73

Supporting Suppliers to Strengthen Sustainability

Amorepacific is building a sustainable supply chain by enhancing supply chain competitiveness.

We conduct annual training for our suppliers on understanding ESG and practicing on-site management. In 2023, we provided guidance training, and financial support for certification costs to those key suppliers who wished to obtain certification for recycled packaging materials. Additionally, as part of our support for supplier safety infrastructure, we assisted key suppliers in purchasing safety equipment such as safety helmets, safety shoes, dust masks, and hearing protection.

On the other hand, we support environmental and safety consulting when improvements are needed to help our suppliers reduce potential ESG risks, thereby pursuing mutual growth.

Status of Supplier Sustainability Management

Category	KPI ²⁾	2023	2025 Goal
Number of participants in the supplier capacity building training program by 2025	Number of suppliers’ employees participating in the training program (Persons/Cumulative)	3,100	5,000
Ratio of key suppliers ¹⁾ to be rated in the sustainability assessment by 2025	Ratio of key suppliers rated in the assessment (%/Cumulative)	100	100
Number of suppliers supported with consulting services for sustainability improvement by 2025	Number of suppliers supported with consulting services (Number/Cumulative)	40	100

1) Suppliers from which Amorepacific purchases over KRW 1 billion a year
2) Cumulative total from 2021 to 2023

Operating Supplier Grievance Handling Channel

Amorepacific operates communication channels to establish a partnership based on trust with its business partners, the suppliers. To facilitate smoother and more effective communication with our suppliers, we operate Amorepacific Supplier Portal, hotline, and email for addressing supplier grievances and suggestions. Complaints related to all matters, including human rights, occupational health and safety, and the environment, are received through these channels, and in 2023, there were zero complaints registered through these channels.

[Amorepacific Supplier Portal \(in Korean\)](#) 

Supplier ESG Management

Requirements for Compliance with the Suppliers’ Code of Conduct

Amorepacific Group has established a Code of Conduct, referred to as the ‘Sustainability Management Guidelines for Amorepacific suppliers,’ for its suppliers and has stipulated compliance with this code in supplier contracts. In 2023, the guidelines were revised to align with the required global standards. Through the Code of Conduct, Amorepacific Group aims to encourage environmental and social responsibility among the suppliers, thereby reducing the environmental and social impact within the supply chain.

The Code of Conduct presents a total of 36 compliance items, including human rights and labor (7 items), safety and health (8 items), environmental protection (11 items), and ethical management (10 items); detailed practical actions are shared with the suppliers in a manual.

Additionally, when entering into new and existing contracts, all suppliers are required to comply with Amorepacific Group’s Code of Ethics and Sustainability Management Guidelines for Amorepacific Suppliers.

The Sustainability Management Guidelines for Amorepacific suppliers are available on the Amorepacific Group’s website (in Korean, English, and Chinese) and on the Amorepacific Supplier Portal, allowing all stakeholders to access and review them.

[Sustainability Management Guidelines for Amorepacific Suppliers](#)

Supplier ESG Assessment Process



Supplier ESG Evaluation and Action

Amorepacific looks out for suppliers with superior ESG traits and conducts transactions with those that meet the minimum sustainability requirements at the time of contract signing, in order to identify and assess potential ESG risks of the suppliers. Moreover, based on the comprehensive evaluation results each year, superior suppliers are provided with incentives such as priority support for the mutual growth program, priority allocation of transaction volume, and awards.

Annually, Amorepacific conducts the regular ESG assessment, which is a sustainability management evaluation, targeting major suppliers that have a certain level of transaction size, including significant suppliers. The results are reflected in the regular comprehensive evaluation of suppliers with a weight of 10%. If low evaluation ratings persist, plans are in place to implement post-actions such as reducing or restricting transactions.

For the ESG evaluation of suppliers, checklists that comply with international standards and certifications are used, and this includes assessments in five areas: human rights, safety and health, environment, corporate ethics, and management systems. These checklists are based on the RBA¹⁾ Code of Conduct, OECD²⁾ Guidelines for Multinational Enterprises, and SA8000, among others. In addition, training sessions on supply chain ESG trends and explanatory meetings regarding the evaluation have been conducted for suppliers and procurement officers. As a part of this assessment, the carbon emissions and energy consumption of the suppliers are evaluated to understand the environmental impact of the supply chain and is utilized in managing risks within the value chain.

1) RBA: Responsible Business Alliance

2) OECD: Organisation for Economic Co-operation and Development

In the 2023 supplier ESG assessment, risks were identified in all targeted suppliers. Among them, those categorized as high-risk due to having substantial/negative impacts were requested to undertake corrective measures and were supported in establishing improvement plans. In particular, continuous monitoring is planned for high-risk significant suppliers. Furthermore, through the ESG evaluation reports for each supplier, information on benchmarking cases was provided to elevate their standards and achieve better performance.

Meanwhile, Amorepacific conducts separate credit assessments annually for key suppliers to manage financial risks and identifies potential risks that may arise during transactions through surveys targeting key significant suppliers. If low evaluation ratings persist, there are plans to implement post-measures, such as scaling down or restricting transactions.

<div><div><div><div><div></div><div></div></div><div>64</div></div><div>Chapter 1. Our Company</div></div><div>Chapter 2. Our Approach to Sustainability</div><div>Chapter 3. Our Performance</div><div>Chapter 4. ESG Factbook</div><div>Chapter 5. Appendix</div></div>			
Mutual Growth			
Technological Innovation Support		Support for Growth Infrastructure	
<div><div>Participation in Conditional Purchase-Based New Product Development Project</div><div>Amorepacific Group has been participating in the ‘Conditional purchase-based new product development project’ through an agreement with the Ministry of SMEs and Startups since 2019. For five years until 2023, we supported the small and medium-sized suppliers with the development of new technologies and new products through total funding of KRW 4.29 billion. In 2023, we continued to carry out projects that build upon existing tasks, including the development of functional cosmetic containers with dual-mixing capabilities that incorporate oxygen cartridges and functional ingredients, development of functional packaging materials, and the development of sensor modules for molds.</div><div>Supporting the Establishment of a Manufacturing Execution System (MES)</div><div>Amorepacific is supporting the establishment of an MES (Manufacturing Execution System) for smart factory implementation for suppliers. From 2020 to 2023, a total of eight suppliers were selected and supported as beneficiaries. Through this, we were able to speed up our supplier’ work by establishing systems such as real-time production operations, delivery plan management linked to Amorepacific systems, and data-based inventory management. Amorepacific is expanding support related to productivity improvement so that our suppliers, who have continued to cooperate with us for a long time, can continue to strengthen the efficiency of overall management activities.</div></div>	<div><div>Conducting Quality and Process Improvement Consulting</div><div>In 2023, in order to upgrade the quality capabilities and production technology of its suppliers, Amorepacific provided consulting for six suppliers to improve issues such as contamination and impurities. This resulted in the rate of products returned due to contamination, to improve by 51% compared to the previous year, while the rate of products returned due to impurities improved by 14% compared to the previous year (Excluding one company).</div><div>Operation of Performance Sharing Program</div><div>The performance sharing program allows for win-win partnership of Amorepacific and the suppliers by sharing technical and financial outcomes when achieving goals through joint innovation projects. Amorepacific motivates participating suppliers by providing support for the costs incurred in task execution. In 2023, we supported the suppliers undertaking the projects, with research and development funds of KRW105 million and initiated 11 new projects.</div></div>	<div><div>Support for Securing Sales Channels for SMEs</div><div>Amorepacific Group has been supporting SMEs with costs and manpower to participate in overseas exhibitions every year since 2015 to enable them to secure a sales channel in the global market. In 2023, at the Cosmoprof Asia Beauty Fair, one of the world’s top three beauty exhibitions held in Hong Kong SAR China, a total of KRW 80 million was provided to support the booth installation costs for eight suppliers.</div></div>	<div><div>Conducting Competency Training and Communicating with the Suppliers</div><div>Amorepacific operates an educational program called ‘Mutual Growth Academy’ aimed at enhancing the supply chain ESG competencies and job skills for the employees of the suppliers. In 2023, the focus was on practical ESG training and strengthening capabilities in areas such as quality management, through education on cosmetics ingredients, packaging materials, and production. In addition, a total of 35 training programs were operated, including leadership and common competency training. As a result, as of 2023, a total of 1,082 employees from 79 suppliers participated in the training programs.</div><div>Meanwhile, Amorepacific continuously surveys the needs of employees of suppliers to provide tailored education. We also conduct an annual visit to the suppliers to listen to the Voice of Customer (VOC) and the difficulties faced by the employees in the field, and to establish directions for improvement. For this purpose, regular surveys on mutual growth support and activities are conducted targeting some key primary and secondary suppliers.</div></div>

Customer Satisfaction

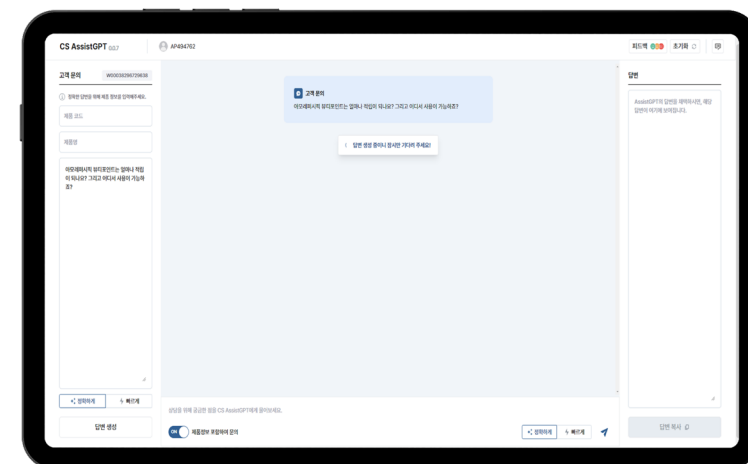
Amorepacific Group considers customer satisfaction as our top priority and strives relentlessly to improve product and service quality. We also aim to enhance customer satisfaction by gathering and incorporating customer feedback to identify areas for improvement.

Enhancing Customer Communication

Reconstructing the Customer Consultation System

Amorepacific Group places value at the center of the customer, striving for company-wide efforts to identify elements of customer dissatisfaction and maximize customer satisfaction. To enhance customers’ positive experiences with brands amidst diversifying online sales channels, we are pursuing a ‘monitoring-sharing with operations-improvement activities’ process for VOC (Voice of Customer) specific to each e-commerce platform.

In addition, through the reconstruction of the counseling application system, we are providing services tailored to customer needs by establishing a customer data-based consultation system for proactive communication and customer response across various channels. Particularly, the integration of information with API-based logistics systems and e-commerce platforms has enabled swift customer support and services. We have introduced STT (Speech-to-Text) and automatic categorization technologies, and applied a chat GPT program based on counseling knowledge and company-wide data to the VOC consultation to support the consultants. Going forward, we intend to enhance the value of VOC data usage and expand customer experience satisfaction through the application of AI technology-based analytical techniques.



CS Assist GPT

Strengthening the Customer VOC Management System

We conduct a regular council for sharing customer VOC and operate a system for the weekly sharing of customer VOCs and management reporting. Particularly for the online sales channel ‘Amore Mall,’ we are committed to monitoring customer VOCs daily and we strive to respond quickly by reflecting and improving any issues received to address customer inconveniences and claims immediately. To enhance the resolution of claims related to product and service quality, we are also issuing CGAPCustomer Gift for AmorePacific and conducting quality and improvement management through product analysis.

Procedure for Reception and Processing of VOC



Management of Customer Satisfaction

In order to provide customers with the best products and service experience, Amorepacific has been carrying out various customer satisfaction management activities, including conducting satisfaction survey on all customers who have completed customer consultations, since 2019. In 2023, out of the 437 consumer complaints received by Amorepacific, 435 were successfully resolved, resulting in an impressive 99.5% complaint resolution rate¹⁾. Additionally, Amorepacific achieved a customer service satisfaction score of 86.1 points in 2023. This is a figure that has risen by approximately 3 points compared to the previous year.

1) Domestic records of Amorepacific

AMORE Brand Perception Survey

Amorepacific Group has expanded the scope of the Brand Perception Survey from originally covering South Korea to now including China and the United States. In 2023, the survey was conducted on approximately 14,000 women living in major cities across South Korea, China, and the United States. Along with indicators measuring brand health through awareness, consideration, and purchase stages, in 2023, we sought to assess whether a more specific action image has been achieved. For this purpose, we used revised questions such as ‘brand that realizes social value,’ ‘brand that respects individual diversity,’ ‘clean beauty brand,’ and ‘environmentally-friendly brand.’ This approach aimed to proactively address the rapidly changing market and customer dynamics. As a result, in South Korea, the brand Innisfree received high ratings in the categories of ‘brand that realizes social value,’ ‘clean beauty brand,’ and ‘environmentally-friendly brand.’ In 2024, we are

Enhancing Customer Communication

planning to further expand the scope of the survey to include customers from Japan, Thailand, Vietnam, and Indonesia and to extend the evaluation to hair care, body care, and inner beauty brands beyond the existing skincare and makeup brand surveys. This will allow us to listen to customer opinions across various categories and reflect this feedback in our business strategies.

Ethical Marketing and Advertising Guidelines Training

Amorepacific Group strives to provide customers with accurate and balanced information about our products and services. In 2023, to internalize and to become aligned with the newly revised「Review Guidelines for Environmental Labeling and Advertising」and the EU Green Claims Directive, we conducted green-washing prevention training for our employees. From the first half of 2024, we are expanding the distribution and education of related guides to enhance the capabilities of our employees against green-washing and the exaggeration of environmental claims in advertising.

Customer Education Program

Amorepacific Group is carrying out various activities to strengthen consumer education on the process of recycling empty cosmetic containers. Detailed information on how to participate in the online container collection campaign and the recycling process of the empty containers are provided through the direct online mall (Amore Mall). Additionally, we are working to increase customer participation in the campaign by providing a guide on items that can be collected, instructions for washing and returning by type, as well as operating an FAQ page about the container collection campaign. We are also communicating with customers on their detailed inquiries and the overall recycling process through customer service centers.

[Case]Products Developed to Reflect Customer Needs

Hera

Hera beloved for its delicate textures and highly sensitive colors, launched products with locally exclusive colors reflecting the needs of local customers upon entering the Japanese market.

To create a Black Cushion with the latest ‘true to me’ color as perceived by Japanese women, Hera studied customer reviews and carried out consumer verifications.

Through this, it was discovered that Japanese women, who traditionally favored other colors, are showing a preference for the ‘bright and natural pink beige’ associated with Korean-style beauty, prompted by the popularity of K-beauty. Subsequently, Hera introduced the color (22C 1) reflecting this preference as a Japan-exclusive release.

Additionally, in line with the needs of Japanese customers, Hera also launched the lively brown-colored ‘Sensual Spicy Nude Balm Harmony’ and the moody deep plum-colored ‘Sensual Spicy Nude Gloss Taste’.

Amorepacific Group prioritize reflecting customer needs in our product development to maximize customer satisfaction when using our products.

Makeon

The Makeon Skin Light Therapy 3 was newly relaunched in January of 2024.

Compared to the previous version, it now features a 3.5 times increase in the number of multi-LEDs and a combination of three types of microcurrents, allowing the device to care for the skin’s three key elements: moisture, tone, and elasticity, all in one.

The design, incorporating a dedicated silicone case and compatible accessories, ensures the product is well-protected and can be stored hygienically. It also serves as a fun element, as customers can personalize the case according to their taste and share it with others.

Furthermore, customers can directly see their skin scores measured by the device through an app linked via Bluetooth.

Based on this, long-term skin changes, graphs, status on recommended mode, and data on device usage patterns are provided to the customers, enabling them to design and manage their own healthy skincare routines.

In the future, customized product recommendations will be made based on three types of customer data: skin, lifestyle, and location information. Additional features will be introduced through firmware upgrades, and hyper-personalized care modes tailored to the individual customer will be offered.



Hera Black Cushion



Hera Sensual Nude Balm



Makeon Skin Light Therapy 3

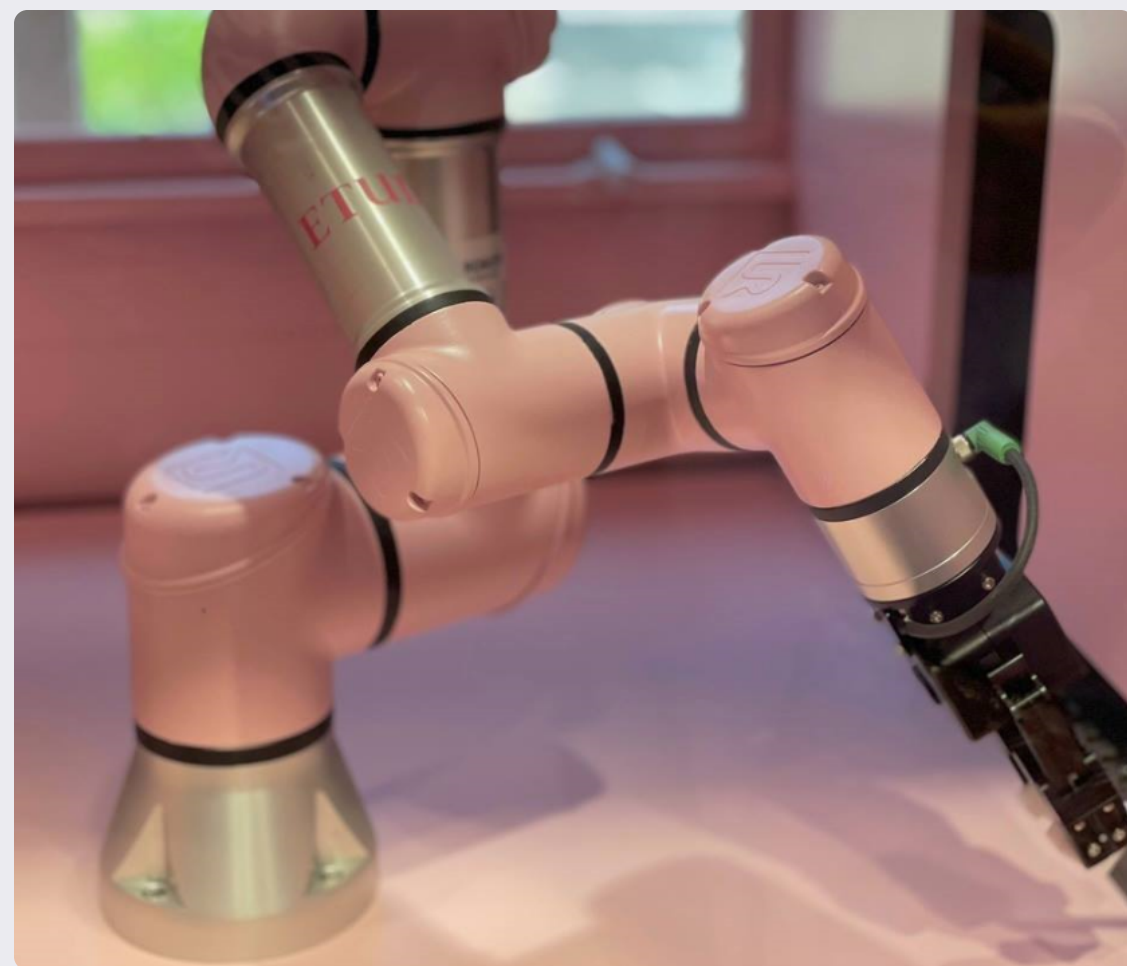
Enhancing Customer Communication

[Case] Bespoke Products and Services

Amorepacific Group strives to enhance customer satisfaction by listening to the opinions of customers and incorporating their feedback into one-to-one customized products and services

Etude

Etude is operating a ‘Foundation Factory’ service at their Myeong-dong 1st Avenue store in Seoul, where bespoke foundations are made for customers. After accurately measuring a customer’s skin color and tone, and with the expert advice from makeup professionals, such as color draping services, a personalized foundation is crafted all in the effort to ensure customer satisfaction. Since the service launched, it has been continuously loved by customers, who have been leaving spontaneous visit reviews and generating positive buzz. The monthly reservation system demonstrates high customer interest, with weekend bookings often closing early due to demand.



Etude, Foundation Factory

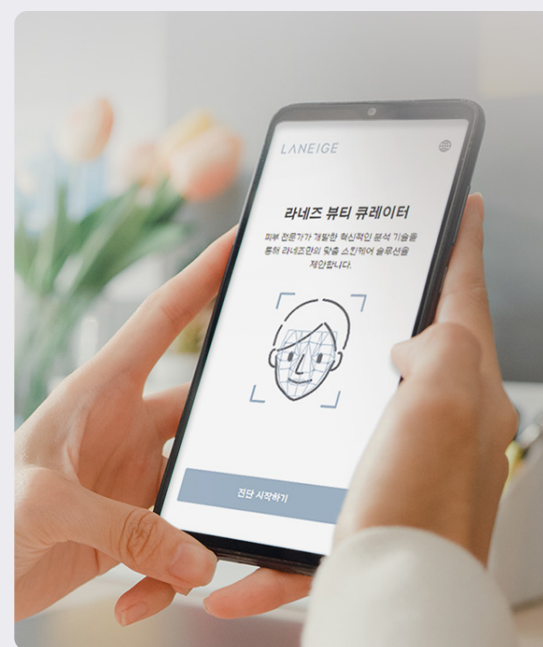
Laneige

Laneige’s custom service, ‘Bespoke Neo,’ continued to be dearly loved by many customers in 2023. It was particularly popular among international customers, making up about 90% of the service’s users, and received immense love from global customers across 82 countries. The service generated buzz through TikTok and various other digital platforms, recording around 2.5 million views in viral reach.

Another one of Laneige’s custom services in the Myeongdong store is the ‘Beauty Curator’, which offers a skin diagnostic service utilizing AI technology. It provides product recommendations based on skin diagnosis results and customers’ skin concerns. Customers self-measure their skin’s condition via a tablet screen, and based on these results, Laneige recommends the best products. There is a recorded outcome, where approximately 35% of customers who experienced this service purchased the recommended products.



Laneige, Bespoke Neo



Laneige, Beauty Curator Service

Espoir

Espoir has opened a new creation store in Yeonnam-dong, Seoul. Espoir is rolling out the #CreateyourBe campaign to help customers find their own unique look. The ‘Espoir Yeonnam’ store features an interior that retains the raw feel of unrefined materials, allowing visitors to experience Espoir’s signature creative sensibility. Furthermore, the brand is actively engaging with customers to demonstrate its newfound makeup expertise. This is achieved by providing personalized consulting and customization services from creators, who are also professional makeup artists.

‘Powder & Play’ is a premier customization service that enables customers to create their unique powder by selecting from a variety of powders and colors. In addition, the ‘Glow & Play’ service offers the opportunity to personalize a product with an extensive selection of base colors and glitters. This tailor-made experience is available for approximately KRW 20,000.

Furthermore, Espoir offers a range of other services, including private one-day makeup classes and one-to-one personal consulting.



Espoir, Personal Service Zone in Creation Store

Enhancing Customer Communication

Lauching Products Tailored to Global Customer Needs

Amorepacific Shanghai D&I Center upgraded the ‘Innisfree Black Tea Franchise’ in 2023 in line with the trends in China’s anti-aging market. Among these, Innisfree Black Tea Peptide Anti-wrinkle Essence was developed by adding peptides, a key ingredient representing China’s anti-aging trend, to Innisfree’s unique ‘tea’ components. Moreover, this product features a dual anti-aging solution designed to address the fundamental causes of aging and to repair damaged skin, utilizing an innovative dual-chamber container. They also carried out a clinical study over four weeks with 30 Chinese customers, and confirmed the product’s effectiveness in moisturization, repair, elasticity enhancement, and wrinkle care.

Additionally, in response to the trends in China’s hair care market, a dedicated ‘Ryo Shampoo franchise’ was developed,

reflecting the texture and concept preferred by Chinese customers. After conducting a satisfaction verification process on the new design and concept of the Ryo Daily Solution line with approximately 100 Chinese customers (residing in Shanghai, aged 20–40), the product range was upgraded in every aspect, from its ingredients to its packaging, and then launched. Furthermore, evaluations were performed by trained professional panels from Korea on the sensory intensity of both our company’s and competitors’ shampoo products. A Home Use Test (HUT) was also conducted with approximately 600 Chinese customers to determine product preferences and user experiences specific to different customer types. Based on these insights, Ryo Hyaluronic Volume Shampoo was newly developed exclusively for the Chinese market, best reflecting customer preferences.



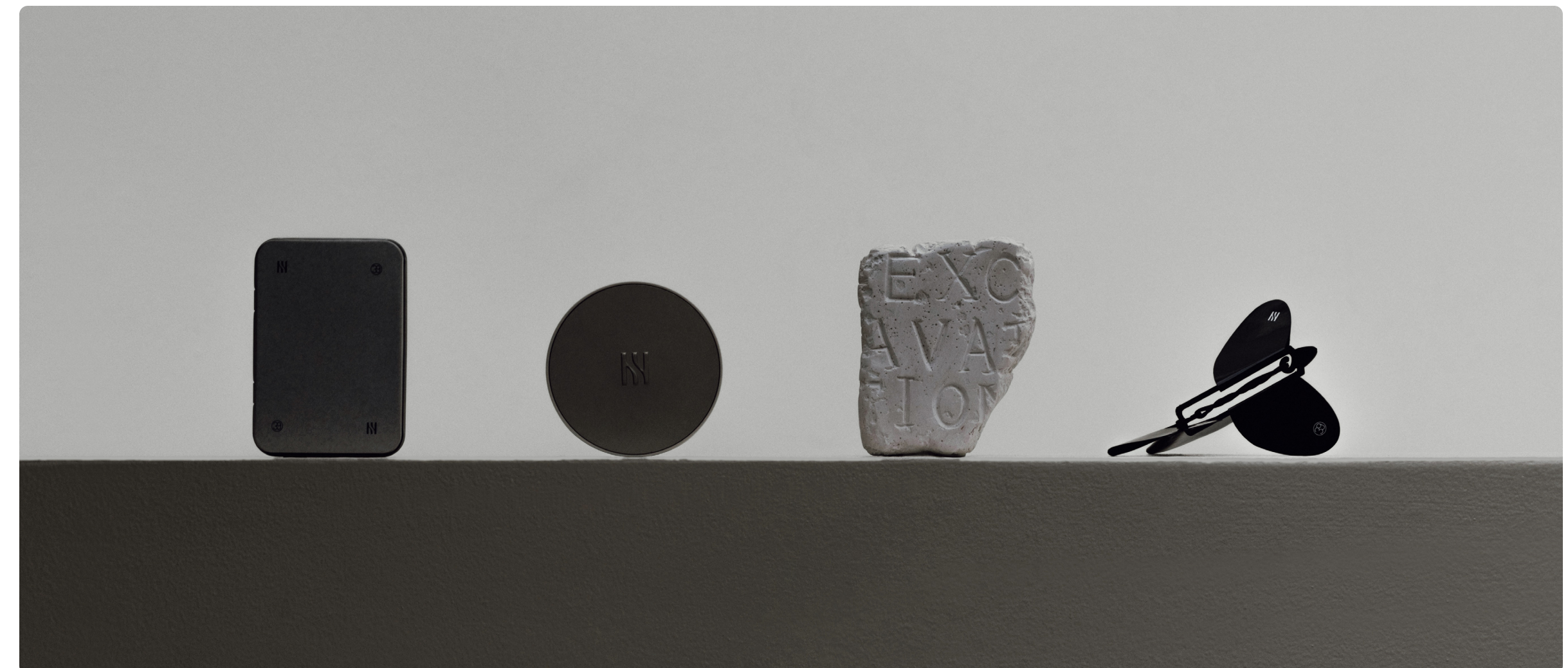
Innisfree BlackTea Line

Hera offers cultural diversity through culture projects

Hera has continued to provide customers with contemporary aesthetic diversity and cultural diversity through culture collaboration projects with brands or artists based in Seoul.

In April 2023, Hera conducted the campaign, ‘EXCAVATION,’ in collaboration with the art directing team 39ETC, themed around the tastes of Seoul. Through this campaign, Hera launched collaborative limited-edition products that highlighted the unique appeal of their raw materials, around the concept of ‘excavating tastes.’ Moreover, through various activities and an experiential exhibition that encouraged the exploration of personal tastes, Hera conveyed the value of diversity in preferences to its customers.

In addition, the results of the Hera Creative Project ‘C.CREW 2nd Generation’ in collaboration with 15 artists have led to the creation of various artworks themed around the diversity of Seoul and the concept of ‘being oneself’. This consists of three main projects: HERE, which captures the lives of people living in Seoul; NOW, which depicts the present moment connecting the past to the future; and MYSELF, which contains messages directed at oneself. Through these projects, artists were able to express their unique individuality and convey the values of authenticit, ‘being oneself,’ that Hera aims to communicate. Hera plans to continue a variety of cultural collaboration activities, forming connections with Seoul’s culture and subcultures, and developing customer participation events that allow participants to experience Hera’s narrative on diversity.



Hera, products from EXCAVATION campaign

Enhancing Customer Communication

Labo H collaborates with Chilsung Cider

In 2023, the scalp skincare specialist brand Labo H collaborated with the national favorite beverage brand Chilsung Cider to launch shampoo & tonic products to alleviate the common scalp concerns of the suffocating summer heat as effectively as ‘Chilsung Chills!’ blows away one’s worries.

The collaborative product offers a refreshing and lively scent reminiscent of cider, carbonated bubbles like the soda, and cool, rich foam, enabling deep cleansing for the hair. After its launch, experiential pop-ups were operated to enhance the customer experience: at Amore Seongsu in May, Olive Young Gangnam Town Store in June, and Amore Busan in July.

In particular, the pop-up store, adorned with the signature green color of Labo H and Chilsung Cider, provided customers with an opportunity to fully experience the cooling sensation and refreshing feel. Additionally, customers could participate in various events and have the chance to acquire limited edition products and goods.



Labo H × Chilsung Cider

Aritaum Strengthens Customer Convenience with its Immediate Delivery Service

Aritaum has entered into a partnership with Baedal Minjok, following Yogiyo, and is operating an immediate cosmetics delivery service through Baemin Store. Beginning with its launch and trial operation in December 2021, the service has become available in selected Aritaum stores in Seoul, Gyeonggi, Incheon, and parts of Busan region. Customers can enjoy the convenience of receiving Aritaum products within an hour through this contactless delivery service. This service is acting as a positive factor in enhancing communication with the customers and improving their convenience.

Amos Professional Develops a Customer Evaluation Program

Amos Professional has developed a customer evaluation program based on tablet web technology. Previously, customer evaluation consent forms had to be handwritten on paper, leading to decreased efficiency and waste of paper. However, with the development of a touch screen interface, there has been a significant impact: approximately 5,000 sheets of paper are saved annually (including those used for personal information, marketing consent forms, and evaluation guides), and there has been an increase in response efficiency. Additionally, converting evaluation results into data has simplified the management of customer service history and customer interaction records.



Amos Professional, customer evaluation program

Enhancing Customer Communication

[Case] Customer-tailored digital innovation

Amorepacific, Winner of the CES Innovation Award for Five Consecutive Years

The ‘Lipcure Beam’ technology developed by Amorepacific has won the CES Innovation Award at the Consumer Electronics Show 2024 for the fifth consecutive year. Awarded in the Digital Health category at CES 2024, ‘Lipcure Beam’ is a groundbreaking beauty tech device that enables lip diagnosis, care, and makeup application all with one device. The device’s cap contains a precision sensor capable of diagnosing the condition of an individual’s lips. When the user places the device on their lips, it immediately detects the hydration level and provides a diagnostic result. A makeup tool is revealed when the cap is separated from the container, and based on the measurement results, a brush-shaped cosmetic applicator emits optimized visible light for personalized lip care.

The photosensitive material developed by Amorepacific R&I Center, when applied to the lips and exposed to the light emitted from ‘Lipcure Beam,’ can maximize the response of riboflavin, a type of natural vitamin. This reaction strengthens the collagen fibers inside the lips and forms a moisturizing layer on the surface, allowing users to see the effect of mitigating lip aging. The device is designed for frequent, convenient use on the go, with a size that fits comfortably in one hand, akin to conventional lip products. It is also universally designed with a color system that looks natural on anyone, regardless of race or age, making it accessible to customers worldwide. Moreover, the light operation process has been optimized for overall device use, saving battery consumption. Meanwhile, ‘Lipcure Beam’ incorporates technology patented by Amorepacific.



Lipcure Beam

Amorepacific Launches ‘ToneWork,’ a Customized Makeup Specialty Brand

Amorepacific officially launched the customized makeup specialty brand ‘TONEWORK’ in 2023. Utilizing artificial intelligence technology, the brand offers a customized technology that provides base makeup products optimized for each individual’s skin color with a total of 600 options. This technology was named an Honoree in the Robotics category at the ‘CES 2023 Innovation Awards,’ the world’s renowned consumer electronics and technology trade show.

Using an AI-based color diagnosis algorithm, the robot precisely measures the facial color and manufactures the product immediately upon order. The system is designed to provide a total of 600 options by allowing the user to choose

from 150 meticulously designed colors based on the study of skin tones from around the world, along with personal preference for two types of textures (glow, semi-matte) and two types of products(liquid foundation, cushion foundation).

This is the first customized cosmetic product to receive vegan certification from the Korea agency of Vegan Certification and Services, and it has adopted sustainable packaging using FSCForest Stewardship Council certified paper and PCRPost-Consumer Recycled plastic.

The liquid type ‘ToneWork Vegan 150+ Foundation’ and the cushion type ‘ToneWork Vegan 150+ Foundation To Go’ can be found and tried at ‘Amore Yongsan’ inside the Amorepacific headquarters in Yongsan, Seoul. Meanwhile, ToneWork Vegan 365+ Liquid Lipstick was launched and is currently available at Amore Seongsu.



TONEWORK

Publication of a Research Paper on Skin Age Diagnosis Using Dr. Amore

The research paper on the development process, effect, and potential applications for skin aging studies of Amorepacific’s AI-based skin diagnosis technology, Dr. Amore®, has been published in an SCI-level international academic journal, International Journal of Cosmetic Science. Furthermore, an additional paper on the development and performance of facial aging diagnostic technology has been published in another SCI-level international academic journal, Journal of Cosmetic Dermatology. This technology is not only equipped in ‘CUSTOM.ME Bespoke,’ a custom cosmetic product, but also in various services such as Amore Mall’s ‘Skin Note’ and ‘Laneige Beauty Curator’, offering various serviced to provide personalized skin diagnostics as a customer service.

Information Security

Amorepacific Group has established and is operating a comprehensive information security management system to respond to cyber attacks and various threats targeting valuable information and assets. Through information security declarations and education, we are raising the level of information security awareness among our employees and suppliers. Additionally, in order to protect valuable customer personal information, we are strengthening our information security response capabilities through regular security vulnerability assessments and the establishment of detection systems.

Information Security System

Information Security Declaration

Amorepacific Group communicates its dedication, objectives, and action policy regarding information protection to employees through the Information Security Declaration. Furthermore, detailed security guidelines are designated as company rules to ensure that employees comply with them. We are doing our best to protect personal information and strengthen information security. In the event of any accidental or intentional violation that causes damage to the company or compromises customer rights, appropriate disciplinary measures are taken.

Information Security Management System

Amorepacific Group considers privacy protection as a critical company-wide risk and manages it accordingly. Through the Risk Management Committee, we report privacy protection risks and our security strategies to key executives on a regular basis. Policies are established and operated to meet legal requirements, and close coordination is implemented for each subsidiary by designating the Chief Information Safety Officer (CISO), and Chief Privacy Officer (CPO). Amorepacific has appointed the head of the Information Security Center with over 20 years of experience in information protection and personal information protection as the Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO). They are establishing and operating policies to securely protect corporate information, as well as the personal information of customers and employees, from cyber attacks. Furthermore, we have developed a comprehensive Information Security Management System in accordance with the certification standards set by national authorities. We undergo annual assessments to obtain and maintain the certification.



Information security training video

Information Security Training for Employees

Amorepacific Group conducts mandatory training once a year to raise employees' awareness of information security. In 2023, over 96% of employees of Amorepacific Group and some subsidiaries¹⁾ completed the compulsory education under the themes of 'Cybersecurity Threat Response Guidelines,' 'Points to Consider for Personal Information at Each Stage of Its Lifecycle' and 'Security Considerations in Digital Business'. Furthermore, both online and offline education sessions were conducted for all store and door-to-door sales beauty partners who directly interact with customers, focusing on the importance of 'Precautions Against Misuse of Personal Information in Stores,' and 'Operation and Management of Stationary Video Information Processing Devices.' Additionally, we have conducted mock drills on malicious email for all members, and shared the results and action guidelines to raise awareness about information protection activities, as well as to ensure that response procedures are known in the event of an incident.

1) Amorepacific, Etude, Innisfree, Espoir, Amos Professional, Osulloc

Prevention and Response Measures for Security Incidents

Amorepacific Group has introduced an advanced email security solution to prevent the leakage of customer information and crucial trade secrets from hacking attacks. The solution not only blocks emails carrying malware that attempt to hijack employee PCs but also has the capability to detect socially engineered attack emails that deceive employees, such as Phishing/BEC^{Business Email Compromise}.

Additionally, to provide a safe web service like online shopping in a cloud service environment, we have implemented a next-generation cloud-based web application firewall. In 2024, we plan to further enhance our security measures by integrating an EDR^{Endpoint Detection & Response} security solution that can quickly identify the cause and prevent the spread of any internal security breaches. We are actively responding to evolving cyber-attacks and do not remain complacent with current measures.

Furthermore, to ensure protection 24 hours a day, 365 days a year, we have implemented a security monitoring system that continuously checks for potential breaches in real-time.

Security inspection and improvement

Amorepacific Group is conducting ongoing inspections and improvement activities on systems that are changed or newly developed. In 2023, a total of 109 security inspections were carried out, and improvements were made before the services were launched to ensure that customer information is not compromised due to potentially vulnerable services. We are making every effort to prevent the theft of customer information.

<div> <div> <div></div> <div></div> </div> <div>72</div> </div>	Chapter 1. Our Company	Chapter 2. Our Approach to Sustainability	Chapter 3. Our Performance	Chapter 4. ESG Factbook	Chapter 5. Appendix
Personal Information Protection				New Digital Environment	
<div>Customer Personal Information Protection Activities</div> <div> <p>Amorepacific Group provides services to customers only when it aligns with our standards, considering the protection of customer’s personal information at every stage from the planning to the conclusion of the business. The collection of personal information is preceded by obtaining consent as a mandatory procedure, and various technologies have been implemented to securely store the collected information. We use personal information solely for the purposes agreed upon with customers, and once the use is finished, we destroy the information to ensure it cannot be restored.</p> <p>Furthermore, to ensure that our personal information processing systems comply with the law and the company’s security standards, both internal and external expert groups conduct an exhaustive annual review and improvement of the systems. Additionally, to prevent the leakage of personal information resulting from vulnerabilities on our website, we perform annual simulated hacking tests using the same techniques hackers would employ, and improve upon any vulnerabilities discovered.</p> <p>Moreover, in response to the comprehensive amendment of the Personal Information Protection Act in 2023, we are continuously improving our internal policies and guidelines related to personal information to ensure enhanced protection of individuals’ rights.</p> </div>		<div>Enhanced Protection of Customer’s Personal Information Rights</div> <div> <p>Amorepacific Group prioritizes the protection of customers’ rights and ensures that customers can clearly understand the process of how their personal information is handled by establishing an ‘Easy to Understand Privacy Policy’ and disclosing it transparently. We have enhanced visual representation through labeling and other means to improve upon the previous policy, which was text-heavy and difficult to comprehend. Additionally, we have reconstituted the terminology related to personal information processing into simple and clear vocabulary that can be easily understood by the general public. Furthermore, we meticulously categorize and disclose our subcontractors who handle personal information, such as through consignment and re-consignment, to maintain the trust in Amorepacific Group.</p> </div>		<div>Diagnosis of Personal Information Protection Level of Partner Companies</div> <div> <p>Amorepacific Group entrusts some of its personal information processing tasks to partner companies for better customer service and discloses a list of consignees/sub-consignees on its website. To ensure safe management of personal information by the partner companies, we conducted educational programs tailored to the type of work for 27 companies in 2023. Moreover, we carried out a diagnostic assessment of the personal information protection level of our partner companies in four stages, using a total of 25 criteria. The diagnostic results were classified into five levels, and support was provided to those partner companies that scored below a certain threshold, requiring them to implement improvement measures. In cases where the consignment contracts with partner companies expire, we request for the immediate deletion of Amorepacific Group customers’ personal information, and in 2023, we obtained a total of 18 confirm of destruction.</p> </div>	

Amorepacific Group believes in the positive effects that beauty can have on people and the world. We operate various CSR programs to help our stakeholders achieve sustainable and harmonious growth.

Implementation of CSR

Direction of CSR Implementation

Amorepacific Group strives to contribute to the community and fulfill our corporate social responsibility. Through this, we aim to pursue mutual growth with all stakeholder groups and spread the value of diversity and inclusion. Under the vision of ‘2030 A MORE Beautiful Promise’ to strengthen economic capabilities for those in need of economic independence and to invest KRW 100 billion to enable citizens lead healthy lives, various CSR programs are being promoted to spread positive effects across society.

Empowering Single Mothers through ‘Hope Store’

Amorepacific is realizing its long-standing CSR philosophy of ‘Returning the love received from women to women’ through the ‘Hope Store’ initiative, which supports single mothers with start-up loans to achieve economic independence. Through Hope Store, we aim to increase the average monthly income of female entrepreneurs, establish a social support system, promote stabilized emotions, and strengthen family relationships.

In 2023, as we transitioned to living with COVID-19, it seemed that the entrepreneurship market was regaining its vitality. However, the market shrank somewhat due to interest rate hikes and inflation. With the arrival of the principal repayment period for COVID-19 small business loans, stores within the Hope Store program that had loans saw an increase in financial burden. Consequently, in 2023, we conducted a total of 2,121 visits for intensive post-management, including monitoring business conditions of Hope Store and listening to their concerns. Furthermore, to enhance the sales and stabilize the management of the Hope Store, we carried out various initiatives including ‘4 sales enhancement projects, 7 business improvement consulting sessions, 11 technical training subsidies, 6 self-help group meetings, and 1 emergency treatment fund’. Additionally, to commemorate the 20th anniversary, we released a celebratory video marking the milestone of surpassing 500 Hope Stores, and successfully hosted a commemorative exhibition at the Jeongdong Theater.



Hope Store

Matching Gift Campaign

Amorepacific has rolled out a ‘Matching Gift Campaign,’ where the company also ‘Gifts’ donations that match the contributions of our employees. Matching Gift Campaign is one of the participatory charitable activities of Amorepacific’s employees and has been ongoing for 18 years. Every year at the time of year-end tax settlement, if employees submit the details of their donations from the previous year, the company also donates an equivalent amount to the same institutions the employees have contributed to. In the 2023 Matching Gift Campaign, approximately 210 Amorepacific employees participated, delivering donations amounting to KRW 135.73 million to a total of 109 social welfare organizations, including ChildFund Korea (also known as the Green Umbrella Children’s Foundation), World Vision, Korea Compassion, and UNICEF.

Status of Employee Volunteer Activities

Category	Unit	Amorepacific Group	Amorepacific
Number of participants	Person	208	191
Participation time	Hour	1,782	1,667
Average participation time per person	Hour	8.6	8.7

Implementation of CSR

ARITAUN Donation of Goods

In 2023, Amorepacific Group, with the participation of 13 brands including Laneige, Innisfree, Etude, Aestura, and Ryo, donated cosmetics and body/hair care products worth approximately KRW 4.8 billion through the “ARITAUN Donation of Goods” initiative to the Community Chest of Korea, often referred to as ‘The Fruit of Love’ ARITAUN Donation of Goods initiative is a product donation activity initiated by Amorepacific Group to create a more beautiful world through coexistence with the local community. The initiative started in 2005 under the name ‘Goods Donation of Love’ to support social welfare facilities and expanded in 2009 through a partnership with the Community Chest of Korea. Every year, goods worth around KRW 4 billion are provided to social welfare facilities across the country, including those for women, elderly, children, and people with disabilities. To date, the cumulative contribution amounts to approximately KRW 94.3 billion in goods to over 410,000 social welfare facilities nationwide.

Environmental Sector Social Venture Incubation Program ‘A MORE Beautiful Challenge’

The “A MORE Beautiful Challenge,” organized by Amorepacific and operated by MYSC, is a social venture incubation program that identifies startups creating social and environmental value, and provides open innovation and investment opportunities. The second “A MORE Beautiful Challenge” held in 2023 focused on solving the plastic problem, an issue that Amorepacific is concentrating on. It selected five social ventures demonstrating growth potential in the development of plastic alternatives, resource circulation solutions, and upcycling sectors. The selected companies were provided with capacity-building education, including understanding the latest ESG trends and learning about the different case studies on open innovation from other companies. Additionally, the program offered a “Meetup Day” for the ventures to present their business models and prototypes, interacting with Amorepacific employees, as well as one-on-one mentoring with employees who have expertise in relevant fields to explore points of contact for open innovation with related Amorepacific departments.

During the Demo Day held in October 2023, based on the companies’ potential for growth, investments were secured in the final three enterprises.



Corporate Participant Education



Meetup Day Event

The Employee-Led Volunteer Group ‘APnanums’

Following the COVID-19 pandemic, there has been a significant shift in perspective regarding employee volunteer activities, with a greater emphasis on quality over quantity of contributions. Our company established an employee-led volunteer group composed of 8 teams with a total of 51 members (8 leaders and 43 members) called ‘APnanums.’ APnanums engaged in a variety of thematically based volunteer work activities that they planned themselves, including volunteering at animal shelters, acting as guides in marathons for visually impaired individuals, and running social experience programs for young adults striving for independence. In the first half of 2024, we continued the initiative with the second cohort of APnanums.



APnanums Kick-off Ceremony

Local Market Revitalization Event ‘Yonggeummaek Festival’

In December 2022, Amorepacific signed a business agreement with Sookmyung Women’s University for the revitalization of the Yongsan area’s commercial district. As its first project, in October 2023, Amorepacific participated in branding work involving design and planning for the Yongsan Yongmun Market’s ‘Yonggeummaek Festival’.

Amorepacific hoped to preserve the traditional market values of Yongmun Market and expressed this aspiration through a logo created from the handwriting of the market’s merchants. Furthermore, we endeavored to encapsulate a more sophisticated image of the traditional market by employing a design concept featuring colors that symbolize beer with ‘yellow’ and represent the night market and Yongmun Market with ‘navy.’

Based on this, the use of installations and fixtures enhanced the uniformity and visibility of the festival site, thereby establishing the festival’s overall identity. As a result, during the event period, a total of 53,888 customers visited, contributing to the activation of sales for market merchants and the surrounding area. Amorepacific plans to continue its various efforts to coexist with the local community in the future.



Yonggeummaek Festival

Local Community Co-prosperity | China

BETTER SHE

In order to further promote China’s ‘Rural Revitalization’ policy, Amorepacific China has been operating the ‘BETTER SHE’ program since 2020 in cooperation with the China Women’s Development Foundation. This program focuses on training women in rural areas as caregiving professionals and supporting their employment. The goal is to help economically vulnerable women in these areas to become financially independent and to enhance their self-development. From 2020 to 2023, approximately 2,235 women have participated in the training, and the program has recorded a high employment rate average of 87%.

Two-cancer Screening

The Amorepacific China has been collaborating with the China Women’s Development Foundation to conduct free screenings for women aged 20-64 with the aim of preventing breast cancer and cervical cancer, thereby supporting women’s health. Through this initiative, from 2016 to 2023, approximately 122,000 women have benefited. The support was primarily focused on impoverished women in rural areas. Additionally, to enhance the capability for medical examinations, further education has been provided for medical professionals, thereby improving the quality of basic health care and striving to raise awareness about the prevention of breast cancer and cervical cancer.

AMORE YOUTH

In 2020, Amorepacific China launched the ‘AMORE YOUTH’ public welfare project aimed at supporting the mental health of young people. The project aims to help college students alleviate the stress and anxiety they experience concerning academics, lifestyle, and job seeking, and to encourage them to overcome difficulties with a positive mindset. The initiative included offline events as well as online platform courses.

As a part of offline events, a total of 50 roadshows, lectures, and workshops were conducted for 3,800 students, and students enthusiastically participated in programs they planned themselves, exceeding the initial recruitment number by 800 students. Further, surpassing geographical limitations, 6,000 individuals participated in online live events and educational programs. Through online and offline platforms in 2023, the project was able to engage with 9,800 students from 31 universities across 24 cities. Additionally, media promotion events were held in Shenzhen and Chengdu to broaden the social impact of the project.



AMORE YOUTH Event

Brand CSR

Laneige Enters into a Global Partnership with WWF for Marine Conservation

In 2020, Laneige formed a mid- to long-term global partnership with WWF-Korea and adopted Cheongpodae Beach in TaeAn National Park, Chungnam, as a companion beach. Since then, they have conducted surveys on the garbage situation around Cheongpodae Beach and carried out year-round garbage collection activities. In 2023, they collected 235 tonnes of marine debris and conducted plogging activities with the participation of employees in June.

In China, Laneige supported WWF-CHINA’s ‘Blue Planet Fund,’ which supports activities of research institutions and organizations for the conservation of sustainable marine resources. The brand also conducted plogging activities in the Sanya City area of Hainan Province with Amorepacific employees.

In Thailand, they have established communities around 10 local societies and schools in the Gulf of Thailand and the Andaman region for marine conservation, and are supporting activities aimed at raising public awareness and collecting 90 tonnes of coastal debris annually.



Laneige-WWF partnership agreement

Illiyoon Donates Products to Korea Atopy Association

In the first half of 2024, Illiyoon carried out its second product donation following the previous one in 2022. As part of their supportive activities for underprivileged children, they donated 1,000 units of ‘Illiyoon MD Red Itch Care Cream,’ valued at KRW 26 million (based on the consumer price), to the Korea Atopy Association, thus practicing sharing through product donations.

This product is a dermatologically tested functional cosmetic for alleviating itching, intended to provide actual help in reducing the itching concern, which is a primary issue for people suffering from atopic conditions.

Amorepacific Foundation

The Amorepacific Foundation has launched a new ‘Culture and Arts’ grant project in 2023, striving to expand its base as a cultural.

Special Lectures on Asian Beauty

At the ‘Asian Beauty’ author lecture held to commemorate the 50th anniversary of the establishment of the Amorepacific Foundation, the topic ‘Beauty in East Asian Cinema through the Eyes of Architecture’ drew the attendance of approximately 350 individuals, including Amorepacific employees and the general public, who shared the value of beauty and the research achievements of the Amorepacific Foundation.

Additionally, as research results of the ‘Asian Beauty’ study, 7 domestic titles and 1 international title were published. Special research and results from the Amorepacific Forum led to the publication of 2 more books and 1 more book respectively.

Meanwhile, the cultural and arts research initiated in the second half of 2023 encompassed a wide array of topics including ‘Asian Beauty’ and ‘Women and Culture.’ From a total of 287 submissions, 20 papers were selected for ongoing research.



Asian Beauty Lecture

The ‘Jangwon Humanities Scholars’ Support Project

In the support program for emerging humanities scholars, known as ‘Jangwon Humanities Scholars’, three researchers were selected in 2023. The program aims to provide these scholars with a stable research environment and support the continuation of socially significant research projects, thus helping to establish a solid foundation for their academic work.

In February 2023, the Jangwon Humanities Scholars support program received approximately 80 applications via an open call for participants. Following a review of the applications and interviews conducted by a planning committee comprised of distinguished scholars in the humanities, three researchers were ultimately selected. These individuals were recognized for offering original and innovative perspectives in their respective fields and for their high potential to contribute to academia. They will be supported with a monthly research stipend of KRW 4 million for the next four years.



Jangwon Humanities Scholar Certificate Award Ceremony

Exhibition of Cosmetic Empty Bottle Christmas Tree ‘Light of Hope 1332’

The Amorepacific Foundation showcased a Christmas tree made of cosmetic empty bottles, titled ‘Light of Hope 1332’, at the Sejong Center for the Performing Arts, engaging with the public through the display.

The tree is part of a public art project in collaboration with the Sejong Center for the Performing Arts, commemorating the 50th anniversary of the foundation’s establishment, and it was displayed at Sejong Terrace, an outdoor space above the central staircase of the center.

This large-scale tree, standing 8.3 meters tall, was adorned with 1,332 collected cosmetic empty bottles illuminated by light-emitting diodes (LEDs), symbolizing the creation of hope through new value. The installation was designed as an interactive media art piece where the lights are activated by the gesture of audience members holding hands, drawing even more attention from viewers.



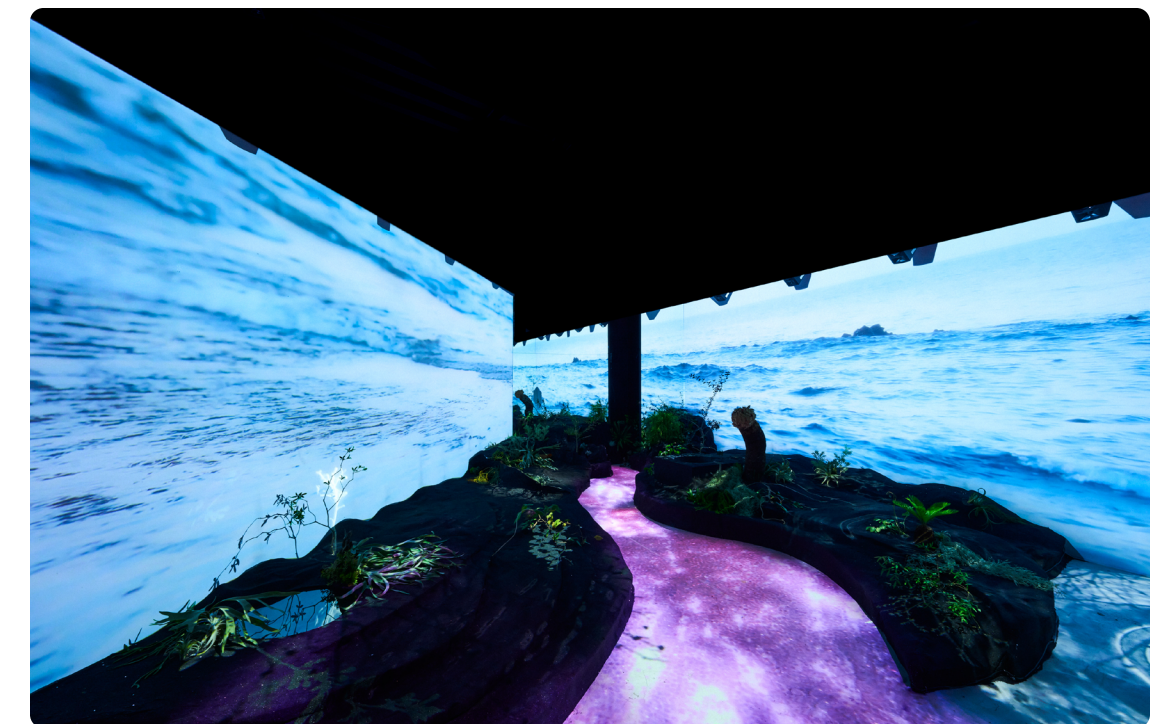
Cosmetic Empty Bottle Tree ‘Light of Hope 1332’

‘The Place of Water, Stone, Grass, Wind’ Exhibition

In celebration of its 50th anniversary, the Amorepacific Foundation hosted the exhibition titled ‘The Place of Water, Stone, Grass, Wind’ in Amore Busan. The exhibit was organized to share with the public the scholarly achievements accumulated by the foundation and to convey the foundation’s artistic direction. It was conceived partly from materials published in the ‘Asian Beauty’ series, one of the foundation’s signature research projects, specifically ‘Water and the Beauty of Asia’, ‘The Beauty of East Asian Gardens through Landscaping’, and ‘The World Created by Landscape Paintings’.

The exhibition encapsulated the fluid nature of ‘water’ and connected it with ‘stone, grass, wind’, embodying the harmonious relationship between nature and humanity. It was an interactive exhibition that allowed visitors to engage with various senses.

This exhibition introduced capacitive sensing technology, which created a novel experience where the audiovisual elements of the artworks reacted in real time to the movement and touch of the visitors, unfolding a new landscape with each interaction.



‘The Place of Water, Stone, Grass, Wind’ Exhibition

Amorepacific Empathy Foundation

Amorepacific Empathy Foundation was established to support the socially vulnerable pursue healthy and beautiful lives. It contributes to the development of the community through various public-private cooperation projects.

Youth Mental Health Support Project ‘Look at ME’

The ‘Look at ME’ youth mental health support program has provided care programs for approximately 3,600 young individuals in 2023 through an array of four types of programs, including youth mental therapy, festivals, campus engagements, and talk. Through this, we have entered into an agreement with the Seoul Metropolitan Government for the promotion of youth mental health and have received recognition as an excellent organization for public-private cooperation by the Seoul Metropolitan Government.

‘Youth Mind Therapy’ offered sessions to over 140 youths with mild depression emphasizing self-care and recovering daily lives through makeup, tea, and aroma therapy programs. Meanwhile, the ‘Youth Mind Festival’ featured empathetic talk shows, physical wellness programs, and mental health-themed booths, attracting 1,088 participants. The campus initiative ‘Youth Mind Campus’ brought mental care lectures and Osulloc tea classes designed to enhance mental health management to various universities, with over 2,080 students from institutions like Sookmyung Women’s University, Dongduk Women’s University, and Seoul Women’s University involved. Lastly, the ‘Youth Mind Talk’ gathered around 300 youths for a sharing session complemented by insightful lectures from both young speakers and directors of the Amorepacific Empathy Foundation’s mental health branch.



Youth Mind Therapy including Aroma Therapy Program

Project to Support Youth Economic Independence ‘Cultivating Talents for the Beauty Industry’

The Youth Economic Independence Support Project is a program designed to nurture talents entering the beauty industry, enabling young people to develop into professionals with expertise and practical skills. In 2023, the program provided approximately 700 young individuals with job training, field internships, team projects, mentoring, and scholarship support. For the job training component, over 80% of the instructors were current industry professionals, ensuring that the training was grounded in practical skills relevant to the workplace. The program’s participants reported a 93% improvement in job competencies and achieved a 58% employment rate in the beauty industry (excluding college students among the participants). The project, undertaken in collaboration with the Ministry of Employment and Labor, ‘Youth-Friendly Corporate ESG Support Project - Cultivating Talents for the Beauty Industry’, was selected as an excellent program and also won the Minister of Employment and Labor Award.

Additionally, through the Beauty Talent Scholarship Support Project, 20 students were selected from specialized high schools in Seoul. They received scholarships for talents in the beauty field and expert mentoring. This led to the recognition of an Outstanding Contributor in Donations and Social Cooperation by the Seoul Metropolitan Office of Education in 2023. Moreover, continuing



Make-up Artist Training Program

the effort to nurture talents in the beauty sector, the project also includes activities such as running K-beauty makeup classes for 20 foreign students from countries with sister city ties to Seoul.

Community Sharing Activities ‘Yongsan Dragons’

The ‘Yongsan Dragons’, a volunteer service organization formed by a public-private-academic coalition in Yongsan-gu, Seoul, has been continuously engaged in community co-prosperity activities since its establishment in 2018. In recognition of its contributions, the group received the Seoul Metropolitan Government Volunteer Service Award in 2022. In 2023, following activities such as Arbor Day tree planting, youth job mentoring, and child abuse prevention campaigns, the group organized the early Christmas event ‘Santa Expedition’ in December. Around 100 volunteers distributed living essentials, school supplies, and snacks prepared by each member company along with message cards to approximately 250 children across 9 child welfare facilities in Yongsan-gu. To date, over 2,700 volunteers have participated in the Yongsan Dragons’ volunteer working activities, contributing to the development of the Yongsan-gu community.



Yongsan Dragons ‘Early Christmas Santa Expedition’

Bukchon Junggan House, Winner of the Public Design Award

The ‘Bukchon Junggan House,’ designed as a part of the community development program based on the talent donations of our employees, ‘Our Neighborhood Idle Space Project,’ received the 2023 Korea Public Design Award. The Bukchon Junggan House transformed an unused traditional Korean house (hanok) into a cultural space for Bukchon residents and enhanced the usage of the space by linking it with the Bukchon Resident Tour Program.

The space, dubbed Bukchon Junggan House, was created as a cultural venue to return to the community the annex building of the discontinued Bukchon Urban Regeneration Support Center after an office relocation. The redesign was contributed by designers from Amorepacific who also participated in the creation of ‘Sulwhasoo House’ in Bukchon, through talent donations. In addition, Bukchon Junggan House offers cultural experience programs for visitors to Bukchon, as well as a variety of convenience services for local residents.



Bukchon Junggan House

Innisfree Moeum Foundation

Innisfree Moeum Foundation is a non-profit organization established in 2015 through innisfree's donation commitment of KRW 10 billion.

The Foundation operates public interest projects dedicated to preserving Jeju's natural ecology, fostering future talents, and promoting Jeju's unique cultural values.

Iniclass

Iniclass is an environmental education program designed for elementary and middle school students to learn about Jeju's seas, trees, and other natural environments with the goal of enhancing ecological sensitivity. The program was launched in 2019 and has since seen the participation of a total of 1,221 students, and it received such a positive response that it was awarded the 2023 Jeju Ecological Environment Education Contribution commendation by the Jeju Education Office. Through this program, many students have had the opportunity to deepen their understanding of Jeju's natural environment and engage with nature. Innisfree Moeum Foundation plans to roll out various programs to enhance ecological sensitivity among more people.



Iniclass

Beach Clean-Up

The amount of marine litter being indiscriminately dumped into the sea each year is increasing significantly, with various types of waste being washed into the ocean by currents. Microplastics originating from discarded fishing gear and similar garbages pose a threat to the survival of marine flora and fauna.

In 2023, the Innisfree Moeum Foundation, aiming to contribute to the resolution of marine waste problems, collaborated with about 40 Jeju residents and Innisfree employees to collect 602 kg of ocean trash that had washed ashore at Hamdeok Beach in Jeju City.



Beach Clean-up

Oreum Research Support Project

The Innisfree Moeum Foundation has supported research and publishing projects aimed at uncovering and conserving the value of Jeju's oreums (volcanic cones).

Aseungsaeng Oreum was formed through numerous volcanic activities and has significantly affected the lives of the residents from the Japanese colonial era to the development of the Aseungsaeng water source. Despite its worthiness of research, there has historically been a lack of documentation about this oreum. Over roughly two years, the Innisfree Moomee Foundation has supported research and publishing related to the formation process of Aseungsaeng Oreum, as well as studies on its ecosystem and cultural environment.



Oreum Research Support Project Book

Jeju Green Award

The Innisfree Moeum Foundation operates the Jeju Green Awards to foster a culture contributing to the sustainability of Jeju. With this aim, the foundation has identified 28 Jeju residents who have a sense of responsibility towards the local community and natural environment in three areas: Natural Heritage Preservation (Jeju Heritage), Environmental Conservation (Green Life), and Future Farmers (Tangerine Scholarship), awarding them a total of KRW 45 million in prizes and scholarships. The foundation plans to continue creating a culture that contributes to the sustainability of Jeju, providing motivation and inspiration through Jeju Green Awards and promoting achievements.



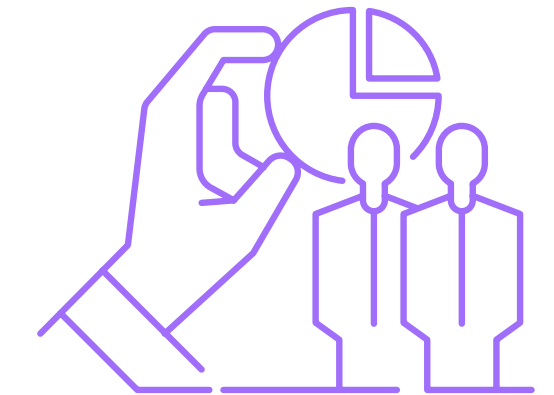
Jeju Green Award

Governance

2023 Key Performances

Average Attendance Rate at Board of Directors Meetings

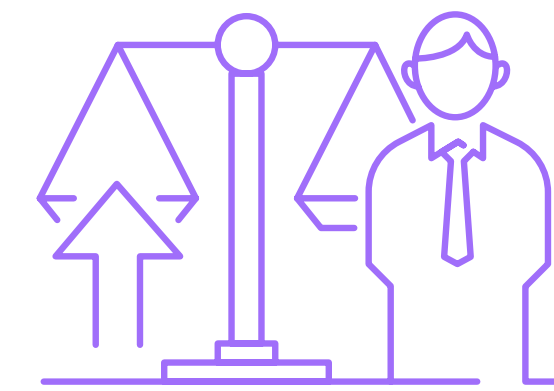
100%



Expansion of Stock Dividend Payout Ratio

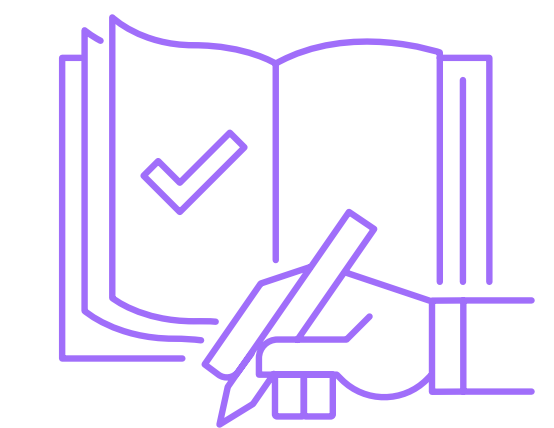
35%¹⁾

1) Results of Amorepacific



Company-Wide Corporate Ethics Training Completion Rate

91.9%



Corporate Governance

Amorepacific Group and Amorepacific have established sound governance structures through transparent and efficient Board operations, to pursue sustainable growth of the company and increased shareholder value.

Board of Directors and Committees

Composition and Operational Status of the BODs

Amorepacific Group and Amorepacific have formed the Board of Directors to have a sound governance structure, and pursue the company’s sustainable growth and stakeholder value creation through the BOD operations. The BOD consists of a majority of independent directors, fulfilling their duties independently from management and majority shareholders. Independent directors are recommended by the Independent Director Nomination Committee in consideration of the candidates’ independence, diversity, and expertise, and are individually appointed by a general shareholders’ meeting. The term of the BODs is determined by a resolution at the general shareholders’ meeting, within the range of three years for internal directors and one to three years for independent directors as per the company’s bylaws. The minimum attendance rate required for board members is over 50%. In 2023, the average attendance rate for board meetings was recorded at 100% for the Amorepacific Group and 98% for Amorepacific respectively.

[Amorepacific Group Corporate Governance, Articles of Incorporation, and Bylaws \(in Korean\)](#)

[Amorepacific Corporate Governance, Articles of Incorporation, and Bylaws \(in Korean\)](#)

Securing Independence, Expertise, and Diversity of the BODs

Amorepacific Group and Amorepacific have adopted various measures to secure independence, expertise, and diversity of the BODs. To enhance independence, the BOD is composed of a majority of independent directors. The appointment of independent directors is made through the process of verification and recommendation of candidates by the Independent Director Nomination Committee, which is entirely composed of independent directors. The director appointment

process follows the ‘Guidelines for the Independence of Directors,’ and at the same time meets the qualification requirements for directors as prescribed by related laws such as the Commercial Act. In addition, we appoint directors with practical experience and expertise without discrimination based on gender, region, academic background, disability, nationality, race, or cultural background in accordance with our ‘BOD Diversity Guidelines.’ To ensure expertise in the Board of Directors and its committees, we appoint independent directors from external experts in various fields, such as accounting and finance, corporate management and strategy, economics, marketing, ESG, and fair trade regulations.

[Amorepacific Group Guidelines for the Independence and Diversity of the \(Board of\) Directors](#)

[Amorepacific Guidelines for the Independence and Diversity of the \(Board of\) Directors](#)

BOD Evaluation and Remuneration

All members of the board, including independent directors, perform an annual evaluation of the BOD’s activities to enhance the Board’s accountability and efficiency. To ensure a fair assessment process, the evaluation criteria are organized according to BOD evaluation guidelines stipulated by Korea Institute of Corporate Governance and Sustainability. The directors’ remuneration is carefully determined by considering the company’s size and the standard level of remuneration within the industry. Amorepacific Group and Amorepacific plan to assess the potential for reevaluating independent directors’ individual performance and to consider these evaluation results when making decisions about their reappointment and remuneration policies.

Committees under the BOD

There are seven committees under the BOD. They are the Audit Committee, Independent Director Nomination Committee, Internal Transaction Review Committee, Compensation Committee, Management Committee, Risk Management Committee, and ESG Committee. To operate the BODs and its Committees efficiently and reasonably, each committee consists of a members with backgrounds and expertise appropriate to their key functions.

Committee	Role
Audit Committee	Monitoring of the company’s accounting and operations, approval of financial statements and business reports, evaluation of internal accounting management systems, appointment of external auditors, etc.
Independent Director Nomination Committee	Nomination of candidates for independent directors to be appointed at the general shareholders’ meeting, etc.
Internal Transaction Review Committee	Deliberation and decision-making on internal transactions designated as requiring BODs’ approval under the Monopoly Regulation and Fair Trade Act and the Commercial Act, etc.
Compensation Committee	Evaluation and deliberation by the BODs on the appropriateness of the remuneration limit for registered directors, to be proposed for approval at the general shareholders’ meeting
Management Committee	General management matters delegated by the BODs
Risk Management Committee	Prevention of emerging risks, response to risks upon their occurrence, and implementation of measures to prevent recurrence once the risks have been managed, etc.
ESG Committee	Supervision and management of ESG risks, such as external regulatory compliance, response to communications from ESG stakeholders, development of ESG strategies and evaluation of detailed implementation plans, and monitoring of the execution of ESG-related initiatives, etc.

Board of Directors and Committees

Amorepacific Group Board of Directors Composition and Capability Matrix (As of April 2024,●:Chairman, ○:Member)

Category	Name	Position	Gender	Date of Appointment	Committees under the BOD							Experience and Expertise					
					Audit Committee	Independent Director Nomination Committee	Internal Transaction Review Committee	Compensation Committee	Management Committee	Risk Management Committee	ESG Committee	Accounting· Finance	Business Management· Strategy	Marketing	Economy	IT·Digital	Fair Trade· Regulation· Compliance
Internal Director	Suh Kyungbae	CEO, Amorepacific Group	M	1994.03					○	○			✓				
	Lee Sangmok	CEO, Amorepacific Group	M	2023.03			○	○	●	●	○	✓	✓				
Independent Director	Choe Jong-hak	Professor, College of Business Administration, Seoul National University	M	2019.03	●	○	●	○				✓					
	Kim Eon-soo	Professor, Department of Business Administration, Korea University	M	2020.03	○	●	○				●		✓				
	Lee Eun Jung	CEO, LINE Plus	F	2023.03		○					○			✓		✓	
	Chai Gyuha	Advisor, Law Firm Bae, Kim & Lee (BKL)	M	2023.03	○	○	○	●									✓

Amorepacific Board of Directors Composition and Capability Matrix (As of April 2024,●:Chairman, ○:Member)

Category	Name	Position	Gender	Date of the First Appointment	Committees under the BOD							Experience and Expertise					
					Audit Committee	Independent Director Nomination Committee	Internal Transaction Review Committee	Compensation Committee	Management Committee	Risk Management Committee	ESG Committee	Accounting· Finance	Business Management· Strategy	Marketing	Economy	IT·Digital	ESG
Internal Directors	Suh Kyungbae	CEO, Amorepacific	M	2006.06					○	○			✓				
	Kim Seunghwan	CEO, Amorepacific	M	2023.03			○	○	●	●	○		✓				
	Park Jong Manh	SeniorVice President, Digital Strategy Unit, Amorepacific	M	2023.03						○	○					✓	
	Lee Jiyoun	Senior Vice President, Hera Brand Division, Amorepacific	F	2024.03							○			✓			
Independent Directors	Lee Hwi-seong	Senior Advisor, Innovative Company Shall We	M	2019.03	○	●	●				○					✓	
	Jo Seong Jin	Professor, College of Economy, Seoul National University	M	2021.03	○	○	○								✓		
	Kim Jong-dae	Professor, Department of Business Administration, Inha University	M	2022.03				○			●						✓
	Ahn Hee-joon	Professor, Department of Business Administration, Sungkyunkwan University	M	2022.03	●		○					✓					
	Choe In-a	CEO, Ina Books	F	2022.03		○					○			✓			
	Lee Jae Yeon	Executive Vice President, Marketing and Retail Sales, ROYAL CANIN	F	2023.03				●			○			✓			

Enhancing Shareholder Value

Stock and Capital Structure

Amorepacific Group and Amorepacific adhere to the principle of one vote per share, ensuring fair treatment for shareholders. For Amorepacific Group, as of December 31, 2023, the number of ordinary shares with voting rights is 76,260,457, and the number of ordinary shares without voting rights (treasury shares) is 6,197,723. Based on the same date, the major shareholders of Amorepacific Group’s common stocks are Suh Kyung-bae 53.0%, the National Pension Service 7.0%, and others 40.0%. Additionally, for Amorepacific, as of December 31, 2023, the number of ordinary shares with voting rights is 58,471,566, and the number of ordinary shares without voting rights (treasury shares) is 21,193. Based on the same date, the major shareholders of Amorepacific’s common stocks are Amorepacific Group 38.0%, Suh Kyung-bae 10.6%, the National Pension Service 7.4%, and others 44.0%.

Amorepacific Group Shareholders (As of Dec. 31, 2023, %)

Category	Proportion
Suh Kyung-bae	53.0
National Pension Service	7.0
Others	40.0
Total	100.0

Amorepacific Shareholders (As of Dec. 31, 2023, %)

Category	Proportion
Amorepacific Group	38.0
Suh Kyung-bae	10.6
National Pension Service	7.4
Others	44.0
Total	100.0

Shareholder Return Policy

Amorepacific Group and Amorepacific have established a shareholder return policy and are actively engaging with shareholders to enhance shareholder value. Amorepacific Group has disclosed its dividend policy with the payout ratio between 50–75% of its separate financial statements’ net income over the next three years, starting from 2023. Amorepacific has also announced plans to raise the annual dividend payout ratio to 35% for the same period and to execute consistent dividends within 50% of annual free cash flow. As of the year 2023, the separate financial statement base dividend payout ratio for Amorepacific Group has achieved the target at 75%, while Amorepacific’s consolidated dividend payout ratio has reached 35%.

Furthermore, the cash generated from domestic and international business operations is being reinvested into the consolidation of core businesses and M&A to secure engines for future growth. In line with this strategy, Amorepacific acquired the North American clean beauty brand ‘Tata Harper’ in 2022, and in 2023, decided to execute the call option to acquire additional remaining shares of the skincare brand ‘COSRX.’ These actions are part of an active M&A approach aimed at laying the foundation for a stronger brand portfolio and business competitiveness. Moreover, the company strives to increase investment efficiency and reach sustainable business growth, which will ultimately lead to an increase in profit available for dividend and enhancement of shareholder value.

Meanwhile, Amorepacific Group and Amorepacific initiated a treasury share buyback in 2019 to stabilize stock prices, and from 2021 onward, continued acquisition of treasury shares has been underway for employee compensation program.

Protection of Shareholders’ Rights and Interests and Strengthening Communication

Amorepacific Group and Amorepacific ensure that comprehensive information regarding the Annual General Shareholders’ Meeting, including shareholder proposal process, is readily available on the corporate website. To facilitate active shareholder engagement, introduction of electronic voting has been implemented, and encouragement of proxy voting is provided, supporting shareholders in the exercise of their voting rights.

Additionally, Amorepacific Group actively engages in communication with domestic and international shareholders and investors through a variety of channels. The earnings release are prepared and publicly disclosed each quarter to share provisional business results. Frequent online and offline IR meetings are conducted, targeting investors from around the world. In the year 2023, Amorepacific participated in a total of 27 Non-Deal Roadshows (NDR) and investor conferences held by securities firms in Korea and abroad, aiming to communicate in a transparent and precise manner regarding performance, future plans, and projections. Moreover, an Investor Day was organized to facilitate direct communication between investors and the CEO, offering insights into the strategic direction of business operations. Efforts have been made to broaden communication opportunities aimed at enhancing investor understanding and fostering trust, such as arranging discussion sessions with lead brand researchers.

Risk Management

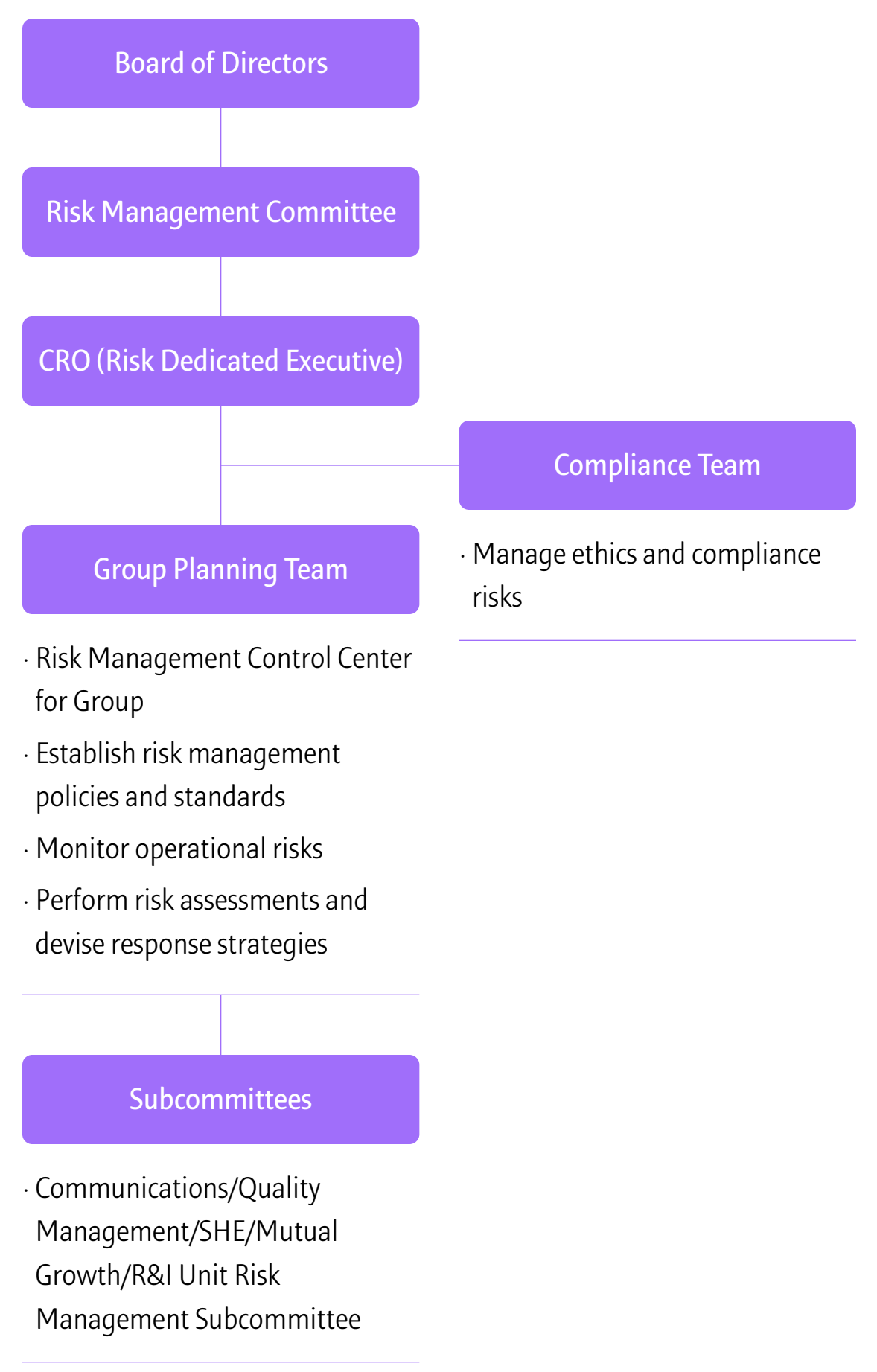
Amorepacific Group operates an effective risk management organization to minimize the impact of potential risks that may arise in its business operations. We continuously identify both financial and non-financial potential risks, and for risks that have been identified, we respond through meticulous preemptive management activities.

Strengthening Risk Management

Risk Management System

Amorepacific Group has developed a framework capable of proactively identifying and effectively responding to financial and non-financial management performance risks that may arise both domestically and internationally. A corporation-wide Risk Management Committee composed of senior executives has been established to support expedited decision-making regarding risk management and mitigation activities. The Group Planning Team fulfills the role of Amorepacific Group’s central hub for risk management controls. This team liaises with specialized subcommittees for various issue areas to monitor business operational risks and to develop strategies for response. Additionally, advancements have been made in the risk management systems of overseas subsidiaries to lay a solid foundation for global risk response and management. In instances where risks materialize, collaborative efforts between the subsidiaries and the headquarters are mobilized to address these concerns and potential risks are identified for systematic oversight.

Risk Governance



Risk Management Process



Strengthening Risk Management

Risk Management Process

Amorepacific Group categorizes risks identified through its risk management process into six categories and manages them accordingly. Particularly, factors that can significantly impact the company’s reputation and ethical and legal matters are handled separately. Sensitivity tests are conducted to analyze potential risk types for key risk factors.

Risk	Risk Type
Market Risks	<div><div>· Strengthened global regulations on safety an environment</div><div>· Diversification of customer needs</div><div>· Increased risk of natural disasters and major incidents</div></div>
Product Risks	<div><div>· Increased importance of product safety verification and hazardous substance management</div><div>· Establishment of measures to prevent recurrence of customer complaints</div></div>
Supply Chain Risks	<div><div>· Increased importance of demand forecasting and timely supply management due to market environmental changes</div><div>· Fluctuations in the supply environment pertaining to raw materials due to external influences</div><div>· Risk of safety accidents</div></div>
Sales and Distribution Risks	<div><div>· Increased need for operational efficiency considering country-specific characteristics</div><div>· Response to changes in the regulatory environment for different sales and distribution channels</div><div>· Rising distribution costs due to inflation</div></div>
Privacy Protection Risks	<div><div>· Increased digitalization of customer services</div><div>· Strengthened regulations on personal data protection</div></div>
Reputational Risks	<div><div>· Risks that can have a hugely detrimental impact on the company’s reputation</div></div>

Managing Major Emerging Risks

Amorepacific Group strives to identify various potential risks that may arise in the course of running a cosmetics business. A total of three major potential risks were identified in 2023, and these potential risks are being addressed through proactive management activities.

Risk	Type	Definition of Emerging Risks	Mitigating Actions
Response to Strengthened Raw Materials and Ingredients Regulation with Regard to ‘Human Safety’ and ‘Environmental Impact’ from a Global Perspective	Environment and Social	<div>The potential risks to be considered in raw material and ingredient regulation in terms of ‘human safety’ and ‘environmental impact’ include the following issues:</div> <div>Human Safety: The absence of sufficient safety data for raw materials and ingredients poses a risk of negative impact on human health over the long term, and can cause health issues such as allergies or hypersensitivity reactions.</div> <div>Environmental Impact: Certain ingredients may not break down in the environment, potentially harming the ecosystem or accumulating toxicity, thus affecting biodiversity.</div>	To manage these risks, Amorepacific Group is continuously conducting hazard evaluations, monitoring regulatory changes, and researching safe and sustainable ingredients. For example, the company proactively bans or develops alternatives for ingredients that are permissible domestically but prohibited in the EU. We plan to expand a sustainable strategy that achieves both product safety and environmental protection simultaneously.
Incidents· Accidents Caused by Unpredictable Disasters and Natural Disasters	Environment	The phrase ‘incidents and accidents resulting from unpredictable disasters and natural calamities’ describes sudden natural occurrences or accidents triggered by human actions that are unforeseeable or unpreventable beforehand. These events are inherently unpredictable and, upon their occurrence, have the potential to inflict considerable human and material harm and losses.	Amorepacific Group has established strategies and procedures to prepare for incidents and accidents caused by such unpredictable disasters and natural calamities. To prevent such events from occurring, safety regulations have been instituted, complemented by comprehensive training provided to our employees. In the event of unforeseeable incidents, a Safety and Health Center has been appointed to ensure safety integration, and roles across departments have been clearly delineated to minimize material and human damages and assure prompt reaction. Continuous risk identification is facilitated through the use of an Occupational Health and Safety IT System. Significant reductions in the frequency of 4 major high-risk accidents have been observed compared to the previous year, as we commit to relentlessly pursue and expand safety measures for the wellbeing of our workforce.
Disruptions in the Global Supply Chain Due to Conflicts between Countries	Social	The global supply chains are intricately intertwined, and any disruptions in specific supply chains due to conflicts between countries can significantly impact corporate management. Delays in customs clearance may occur if the import of raw materials is affected by inter-country conflicts, particularly when a high proportion of raw materials are imported from a specific country. Amorepacific Group imports raw materials and packaging materials from diverse supply chains, and it anticipates a considerable negative impact on its profits and losses if production and distribution within these supply chains face disruptions.	Amorepacific Group continually monitors quantitative market indicators to navigate challenges stemming from international conflicts. By elevating our safety stock levels for raw materials, we are poised to adapt to shifts in demand and supply, there by maintaining our price competitiveness. Further, we strive to minimize potential supply chain risks in raw material procurement by pursuing diversification strategies. For critical raw materials that are sourced exclusively from particular nations, we perform a detailed risk assessment for each. Materials that are determined to carry the highest level of risk are subject to proactive risk management strategies, including supplier diversification and other preemptive actions.

Strengthening Risk Management

Tax Risk Management Strategy

Amorepacific Group complies with the Commercial Act and all laws and regulations concerned with taxes in Korea as well as jurisdictions in which it operates, and we are committed to fulfilling all our tax-related obligations. Amorepacific Group strives to contribute to the local communities through paying its fair share of taxes in a transparent manner.

In our transactions with overseas subsidiaries, we have established and implemented a transfer pricing policy in accordance with domestic tax laws and OECD Transfer Price Guidelines, ensuring adherence to the arm’s length principle. We actively utilize the Advance Pricing Arrangement to effectively address potential risks of double taxation.

Moreover, as part of the Base Erosion and Profit Shifting (BEPS) project aimed at preventing tax avoidance by multinational companies, we annually submit the “International Transaction Integrated Report” to relevant authorities. We refrain from exploiting differences in tax structures or rates between countries to evade tax burdens and instead ensure that taxable income is allocated appropriately based on the value generated in each country where we operate. Furthermore, we strictly limit any income transfer or use of tax havens with questionable tax jurisdiction. These principles are carefully examined by the Board of Directors, and we conduct annual monitoring to ensure full compliance with tax regulations and payments in each country of operation.

In addition, in line with the reporting requirements for the global minimum tax that will be implemented starting from 2024, we have disclosed the estimated tax amount in the first quarter of 2024, and are preparing to file and pay the tax for the fiscal year 2024 in 2026.

Amorepacific Group Tax Payment Status¹⁾ (Million KRW)

Category	2022	2023
Earnings before tax ²⁾	288,378	353,677
Corporate income tax expenses	139,156	118,963
Cash taxes paid	153,236	64,573

Amorepacific Tax Payment Status¹⁾ (Million KRW)

Category	2022	2023
Earnings before tax ²⁾	224,494	280,634
Corporate income tax expenses	95,230	106,755
Cash taxes paid	124,916	53,423

1) The difference between corporate income tax expenses and cash taxes paid arises from extraordinary items such as M&A, tax reassessments, etc. Please refer to the consolidated statement of comprehensive income and the consolidated statement of cash flows in the audit report for details.

2) Net income before deducting corporate income tax expenses

Tax Payment Status by Tax Jurisdiction³⁾ (Million KRW)

Category	Current Reported Taxes
Korea	65,955
Malaysia	21,352
Austraila	1,653
France	1,729
Vietnam	897
Thailand	628
China (Mainland)	335
Japan	164
Others	385

3) Excerpts from the Country-by-Country Report (CbCR), submitted annually to the National Tax Service in accordance with the International Tax Adjustment Act (based on the 2023 submission), show that there are no outstanding corporate taxes except for those corporations for which the tax payment period has not yet arrived.

Ethical Management

Amorepacific Group is promoting a healthy corporate culture built on ‘Act with Integrity,’ one of the principles within the ‘ABC Spirit.’ As a corporate citizen, we fulfill our social and ethical responsibilities by establishing and reviewing policies and guidelines related to ethical management, conducting behavioral guides, education, and awareness improvement activities for executives and employees.

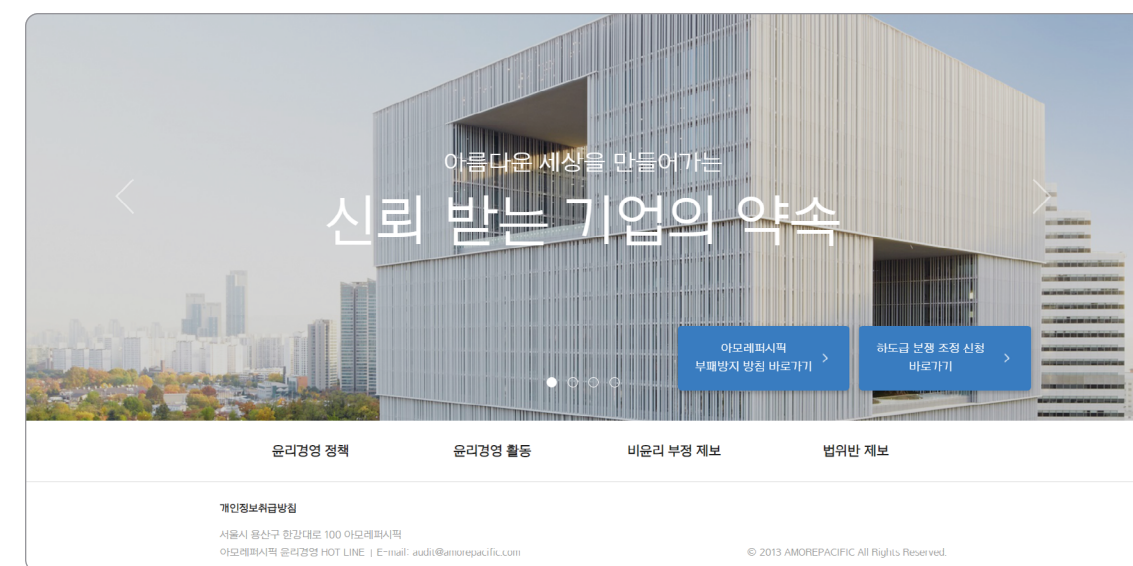
Ethical Management System

Policies and Regulations for Ethical Management

Amorepacific Group has established corporate ethics and compliance guidelines to respond to changes in ethical policies and laws. Regular training is provided to employees to guide them on compliance matters. This prevents unethical or illegal behavior and eliminates possible risks.

Code of Ethics and Business Conduct Guidelines

Amorepacific Group’s Code of Ethics is a set of behavioral guidelines that all our employees must comply with in order for us to enhance corporate transparency and fulfill social and ethical responsibilities as a corporate citizen. Through the Code of Ethics, Amorepacific Group provides clear guidance to all employees on the principles for making morally sound work-related decisions and sets standards for ethical behavior that should be followed in their private lives.



Ethical Management Website: ‘Ethical Management Hotline’

The business conduct guidelines serve as a sub-regulation of the code of ethics, setting forth the ethical behaviors and work processing standards that employees of Amorepacific Group must adhere to within their basic job domains.

[Code of Ethics](#)

[Business Conduct Guidelines](#)

Anti-Corruption Policy

Amorepacific Group operates an anti-corruption policy to strengthen trust with stakeholders and to continuously grow the company. In particular, Amorepacific has strengthened its anti-corruption management by obtaining the ISO 37001 certification in May 2023. Consequently, Amorepacific has declared its anti-corruption intentions and practices both internally and externally, establishing operational regulations and guidelines to enhance the effectiveness of its anti-corruption management system. Additionally, based on the anti-corruption policy, Amorepacific Group conducts education and campaigns to raise awareness about corruption prevention and monitors for corrupt practices through internal inspections. Furthermore, the company ensures compliance with its no-gift policy in transactions with stakeholders by executing ethical commitment statements with suppliers during the contract phase.

[Anti-Corruption Policy](#)

Ethical Management Activities

Ethical Management Education

Amorepacific Group conducts annual ‘Ethics Management Guide’ online training to enhance the ethical awareness of its employees and to prevent unethical behaviors. In 2023, the training program included courses on securing transaction transparency, precautions in dealing with suppliers, fostering a healthy work culture, and understanding ISO 37001, among others. In addition, specialized ethics training is offered for new recruits, newly appointed executives, and overseas assignees, encouraging them to practice ethics management in alignment with their roles in the actual work environment. Alongside this, educational programs on key laws, such as the Fair Trade Act, Cosmetic Labelling and Advertisement Act, and the Subcontracting Act, have been carried out to improve compliance awareness.

Completion Rate of Online Ethics Education

91.9%

Amorepacific Group

92.4%

Amorepacific

Ethical Management Activities

Strengthening Awareness of Ethical Management

Campaign Activities

In order to continuously educate and communicate with employees on ethical conduct, we carry out business ethics campaigns at all times. Leading examples include our ‘Workplace Sexual Harassment and Harassment Prevention Guide,’ ‘No Gift Giving and Taking Campaign,’ the ‘119 Principle’ for an appropriate culture of after-work dinners, and the ‘Gentle AP (Power-tripping Prevention) Campaign.’

Expansion of Global Ethics Management

To enhance the ethical awareness of overseas subsidiaries and to prevent external global risks, an ethical management program is in operation. In 2023, as a commitment to agree with and jointly practice the ethical management policies of the Amorepacific Group, ethical management campaigns were carried out in a total of 15 overseas subsidiaries, including those in China, ASEAN, and North America.

Ethical Pledge

All members of Amorepacific Group are required to make an ethical pledge as a mandatory part of their employment contract upon joining the company. As part of an annual campaign to strengthen ethical awareness, employees voluntarily renew their pledge. Subsidiaries abroad also regularly participate in making ethical pledges to commit to the practice of ethical management.

Amorepacific Ethics Survey

Amorepacific Group conducts an ‘Amorepacific Ethics Survey’ targeting all its employees in order to understand changes in the level of ethical awareness and the state of unethical behaviors. The goal is to establish an effective ethical management culture through data-based change management. Based on the results of the survey, areas in need of improvement are addressed through the transmission of messages by leaders (organizational heads), organizational campaigns, or additional training as methods of change management.

Amore Ethics Briefs

The corporate ethics newsletter, ‘Amore Ethics Briefs’ is a content designed to facilitate the easy recognition of the importance of ethical management among employees within their professional roles. Based on internal and external trends and cases, it aims to enhance the ethical awareness of employees and to prevent and deter unethical behaviors. In 2023, guidance was provided on the protection of trade secrets and restrictions concerning the acceptance of gifts and favors from stakeholders.



Corporate Ethics Newsletter: ‘Amore Ethics Briefs’

Report on Unethical Behavior

Amorepacific Group operates ‘Ethics Hotline,’ an official website for stakeholders to seek consultation on ethical management and report incidents involving unethical conduct and legal violation. Reports on unethical behavior encompasses all types of corporate-related misconduct such as workplace bullying, sexual harassment, and violation of the company policies and regulations. Furthermore, as part of our commitment to enhance the corporate’s compliance management practices, Amorepacific also accepts reports of company-related legal violations, which include application for subcontract dispute mediation, infringement of intellectual property rights, and violation of trade secrets. The informant can report anonymously, and he or she is not subjected to any disadvantages or discriminatory actions for reporting. We are conducting fact-finding investigations on reports received through the ‘Ethics Hotline,’ and taking disciplinary measures and improving work processes and systems for cases where unethical behavior has been confirmed. In 2023, we completed action on all 15 reports of unethical conduct that were confirmed as a result of the investigation, including sexual harassment at work and workplace harassment, private use of company assets, and violation of work processes.

Chapter 4

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Financial
Performance

Consolidated Statements of Financial Position

(Unit: KRW)

Category		Amorepacific Group		Amorepacific	
		2023	2022	2023	2022
Assets	Current assets	2,750,248,646,531	2,566,383,546,972	1,952,196,456,821	1,735,019,347,862
	Cash and cash equivalents	628,997,674,836	650,066,004,916	506,379,386,493	449,597,948,392
	Financial deposits	108,474,213,379	206,069,238,000	61,774,213,379	74,669,238,000
	Financial assets at fair value through profit or loss	998,693,933,175	754,007,356,956	549,634,663,158	362,939,892,414
	Financial assets at amortized cost	140,069,547,946	59,534,958,905	58,630,000,000	30,000,000,000
	Trade receivables	315,036,075,278	300,982,900,966	292,900,370,185	285,104,514,893
	Other receivables	45,534,684,012	65,948,981,162	46,359,581,121	62,646,902,451
	Current tax assets	1,397,779,165	3,140,637,840	1,395,767,125	1,589,648,122
	Other current assets	49,212,303,680	46,721,996,367	40,810,673,046	39,587,746,609
	Inventories	462,832,435,060	459,962,411,412	394,311,802,314	408,934,396,533
	Non-current assets as held for sale	0	19,949,060,448	0	19,949,060,448
	Non-current assets	4,881,182,131,331	5,084,620,254,482	3,934,314,431,881	4,066,763,830,297
	Financial deposits	29,197,131,820	27,176,341,368	23,988,856,981	21,989,149,194
	Other receivables	66,042,391,986	70,579,095,189	67,356,278,864	66,737,893,651
	Financial assets at fair value through profit or loss	59,015,350,059	32,195,524,841	33,031,318,251	8,017,318,251
	Financial assets at amortized cost	1,336,580,000	430,315,000	976,580,000	430,315,000
	Financial assets measured at fair value through other comprehensive income	119,066,293,884	224,477,932,645	6,216,765,880	6,216,765,880
	Property, plant, and equipment	2,767,596,917,503	2,820,687,110,864	2,441,603,701,077	2,475,276,690,492
	Intangible assets	841,179,964,936	856,377,167,180	340,680,136,431	357,750,954,252
	Investment property	375,145,596,021	314,918,090,772	496,219,430,433	503,268,138,559
	Right-of-use assets	92,788,199,347	115,856,189,029	101,084,118,039	128,492,275,394
	Investments in associates	366,143,424,586	329,967,791,735	287,060,733,528	247,279,224,799
	The net defined benefit assets	130,117,848,534	209,903,459,545	112,607,043,654	181,406,890,326
	Deferred tax assets	22,741,921,064	69,558,739,123	13,846,205,025	57,853,971,328
	Other non-current assets	10,810,511,591	12,492,497,191	9,643,263,718	12,044,243,171
	Total assets	7,631,430,777,862	7,651,003,801,454	5,886,510,888,702	5,801,783,178,159
Liabilities	Current liabilities	856,205,498,882	851,901,945,315	813,257,101,661	831,116,935,949
	Non-current liabilities	250,093,250,332	265,598,515,176	200,548,575,984	191,391,138,151
	Total liabilities	1,106,298,749,214	1,117,500,460,491	1,013,805,677,645	1,022,508,074,100
Equity	Controlling invest equity	3,323,329,617,523	3,356,370,904,773	4,897,988,125,589	4,798,613,296,098
	Share capital	47,997,075,000	47,997,075,000	34,525,294,500	34,525,294,500
	Share premium	903,820,398,139	903,820,398,139	720,480,827,092	720,480,827,092
	Capital surplus	(232,660,722,375)	(213,214,348,245)	73,397,775,430	71,118,560,015
	Other components of equity	(194,669,519,970)	(195,095,986,788)	(13,324,991,010)	(18,139,434,036)
	Accumulated other comprehensive income	(58,839,180,314)	31,088,989,500	(18,492,151,960)	(19,458,512,997)
	Retained earnings	2,857,681,567,043	2,781,774,777,167	4,101,401,371,537	4,010,086,561,524
	Non-controlling interests	3,201,802,411,125	3,177,132,436,190	(25,282,914,532)	(19,338,192,039)
Total equity		6,525,132,028,648	6,533,503,340,963	4,872,705,211,057	4,779,275,104,059

Consolidated Statements of Comprehensive Income					(Unit: KRW)
Category	Amorepacific Group		Amorepacific		
	2023	2022	2023	2022	
Revenue	4,021,343,038,942	4,494,956,806,652	3,673,963,593,157		4,134,932,512,111
Cost of sales	1,165,577,565,952	1,347,786,580,983	1,155,064,685,469		1,337,512,406,849
Gross profit	2,855,765,472,990	3,147,170,225,669	2,518,898,907,688		2,797,420,105,262
Selling and administrative expenses	2,703,763,995,780	2,875,269,513,268	2,410,727,650,626		2,583,186,849,501
Operating profit	152,001,477,210	271,900,712,401	108,171,257,062		214,233,255,761
Finance income	199,641,037,480	52,512,453,332	161,577,461,724		22,771,702,594
Financial costs	24,717,920,037	57,934,533,676	19,166,374,797		34,413,883,142
Other non-operating losses, net	(14,466,176,985)	10,097,992,018	(11,604,794,732)		13,044,673,857
Share of net profit of associates	41,218,852,576	11,801,765,440	41,656,032,004		8,858,020,099
Profit before income tax	353,677,270,244	288,378,389,515	280,633,581,261		224,493,769,169
Income tax expense	118,962,722,319	139,155,976,754	106,754,652,265		95,229,524,211
Profit for the year	234,714,547,925	149,222,412,761	173,878,928,996		129,264,244,958
Profit attributable to					
	Owners of the parent company	119,301,620,293	62,237,028,846	180,101,845,362	134,474,812,450
	Non-controlling interests	115,412,927,632	86,985,383,915	(6,222,916,366)	(5,210,567,492)
Post-tax other comprehensive income (loss)	(138,222,589,244)	16,833,437,802	(40,480,959,178)		(27,047,461,753)
	Items that will not reclassified to profit or loss				
	Actuarial loss on postemployment benefit obligations	(49,369,743,160)	6,369,293,492	(41,817,468,524)	5,482,640,916
	Financial assets at fair value through other comprehensive income	(91,302,937,547)	42,649,600,239	(458,211)	(31,630,608)
	Items that may be reclassified to profit or loss				
	Share of other comprehensive income of associates	2,001,031,963	(265,529,263)	887,839,826	(606,664,733)
	Gain or loss on currency translation of foreign operations	449,059,500	(31,919,926,666)	449,127,731	(31,891,807,328)
Total comprehensive income for the year	96,491,958,681	166,055,850,563	133,397,969,818		102,216,783,205
Attributable to					
	Owners of the parent company	7,681,383,087	95,507,472,449	139,250,737,875	108,599,005,752
	Non-controlling interests	88,810,575,594	70,548,378,114	(5,852,768,057)	(6,382,222,547)
Earnings per share attributable to owners of the parent company					
	Basic earnings per ordinary share	1,296	657	2,609	1,949
	Basic earnings per preferred share	1,301	662	2,614	1,954

ESG Data

Environmental Performance

GHG Emissions^{1) 2)} – Amorepacific Group

Category			Unit	2020	2021	2022	2023
Total emissions (Scope 1, 2, 3)			tCO ₂ eq	362,660	365,744 (364,136)	270,531 (268,972)	272,846 (271,526)
Scope 1 emissions	Subtotal		tCO ₂ eq	13,174	13,176 (11,568)	12,580 (11,021)	11,786 (10,467)
	Emissions by business site	Amorepacific (Domestic) ³⁾	tCO ₂ eq	8,958	8,358	7,800	7,011
		Amorepacific (Shanghai) ^{4) 5)}	tCO ₂ eq	703	1,608 (0)	1,652 (94)	1,394 (74)
		Cosvision	tCO ₂ eq	658	768	739	757
		Tata’s Natural Alchemy, LLC	tCO ₂ eq	n/a	195	158	153
		Osulloc Farm ³⁾	tCO ₂ eq	2,435	1,919	1,953	2,226
		Innisfree ⁶⁾	tCO ₂ eq	n/a	n/a	81	59
		Amorepacific Group others ⁷⁾	tCO ₂ eq	420	328	196	186
	2023 Goal		tCO ₂ eq				12,570
Scope 2 emissions	Subtotal		tCO ₂ eq	46,723	40,065	32,397	24,393
	Emissions by business site	Amorepacific (Domestic)	tCO ₂ eq	33,534	32,939	23,402	16,906
		Amorepacific (Shanghai)	tCO ₂ eq	6,620	0	929	0
		Cosvision	tCO ₂ eq	2,785	3,306	3,325	3,043
		Tata’s Natural Alchemy, LLC	tCO ₂ eq	n/a	65	75	82
		Osulloc Farm	tCO ₂ eq	1,748	1,745	1,939	1,623
		Innisfree	tCO ₂ eq	n/a	n/a	1,251	1,215
		Amorepacific Group others	tCO ₂ eq	2,037	2,010	1,476	1,524
Scope 3 emissions	2023 Goal		tCO ₂ eq				25,813
	Subtotal		tCO ₂ eq	302,763	312,502	225,554	236,666
	Emissions by category ⁸⁾	1. Purchased goods & services	tCO ₂ eq	250,413	262,258	184,793	188,800
		2. Capital goods	tCO ₂ eq	570	420	7,168	10,504
		3. Fuel- and energy-related activities	tCO ₂ eq	1,008	994	932	877
		4. Upstream transportation and distribution	tCO ₂ eq	3,427	3,682	2,638	4,578
		5. Waste generated in operations	tCO ₂ eq	2,890	2,381	1,798	1,725
		6. Business travel	tCO ₂ eq	787	417	799	2,621
		7. Employee commuting	tCO ₂ eq	3,143	2,472	2,491	2,598
		9. Downstream transportation and distribution	tCO ₂ eq	4,063	7,013	5,247	8,046
		12. End-of-life treatment of sold products	tCO ₂ eq	30,945	27,243	13,386	11,512
		13. Downstream leased assets	tCO ₂ eq	5,517	5,623	6,301	5,406
	GHG Emission intensity		Emission intensity (Scope 1 and 2)	tCO ₂ eq/tonne of product	0.591	0.476	0.566
							0.507

1) The above GHG emissions were rounded to the nearest decimal place and calculated retrospectively based on the scope of subsidiary companies for the year 2023

2) Data in parentheses indicate emissions reflecting offset performance from the purchase of Certified Emission Reduction (CER)

3) In 2023, the Osulloc production facility was acquired and merged from Amorepacific Corporation to a subsidiary of Amorepacific Group (Osulloc Farm Co., Ltd.), resulting in changes to the organizational boundary diagram of the past four years

4) For the Scope 1 emissions of Amorepacific’s Shanghai beauty operations from 2021 to 2023, the Scope 1 emissions were offset by purchasing Certified Emission Reductions (CER)

5) Amorepacific(Shanghai)’s 2020-2021 data collection range was limited to production plants (1,2,3), and from 2022, headquarters, R&I Center, and logistics have been included

6) The GHG emissions data for Innisfree has been collected from 2022

7) ‘Amorepacific Group others’ include Amos Professional, Amorepacific Empathy Foundation, Amorepacific Foundation, Osulloc, BBDO Korea, Suh Kyungbae Foundation, Etude, Espoir

8) Regarding the previously reported emissions from the use of sold products in Category 11 of Scope 3, in accordance with the GHG Protocol’s Scope 3 Calculation Guideline, as this is optional calculation category, the emissions were excluded from the existing inventory. For results of voluntarily calculated emissions, please refer to the greenhouse gas verification statement on page 121.

Environmental Performance

GHG Emissions^{1) 2)} – Amorepacific

Category		Unit	2020	2021	2022	2023
Total emissions (Scope 1, 2, 3)		tCO ₂ eq	358,477	362,080 (360,472)	265,015 (263,456)	250,420 (249,101)
Scope 1 emissions	Subtotal	tCO ₂ eq	10,319	10,929 (9,321)	10,349 (8,791)	9,316 (7,996)
	Emissions by business site	Amorepacific (Domestic) ³⁾	tCO ₂ eq	8,958	8,358	7,800
		Amorepacific (Shanghai) ^{4) 5)}	tCO ₂ eq	703	1,608 (0)	1,652 (94)
		Cosvision	tCO ₂ eq	658	768	739
		Tata’s Natural Alchemy, LLC	tCO ₂ eq	n/a	195	158
	2023 Target		tCO ₂ eq	10,339		
Scope 2 emissions	Subtotal	tCO ₂ eq	42,939	36,310	27,731	20,031
	Emissions by business site	Amorepacific (Domestic)	tCO ₂ eq	33,534	32,939	23,402
		Amorepacific (Shanghai)	tCO ₂ eq	6,620	0	929
		Cosvision	tCO ₂ eq	2,785	3,306	3,325
		Tata’s Natural Alchemy, LLC	tCO ₂ eq	n/a	65	75
	2023 Target		tCO ₂ eq	21,147		
Scope 3 emissions	Subtotal	tCO ₂ eq	305,219	314,841	226,935	221,073
	Emissions by category ⁶⁾	1. Purchased goods & services	tCO ₂ eq	250,413	262,258	184,412
		2. Capital goods	tCO ₂ eq	570	420	7,168
		3. Fuel- and energy-related activities	tCO ₂ eq	1,008	994	932
		4. Upstream transportation and distribution	tCO ₂ eq	3,427	3,682	2,638
		5. Waste generated in operations	tCO ₂ eq	2,890	2,381	1,798
		6. Business travel	tCO ₂ eq	787	417	799
		7. Employee commuting	tCO ₂ eq	3,143	2,472	2,491
		9. Downstream transportation and distribution	tCO ₂ eq	4,063	7,013	5,247
		12. End-of-life treatment of sold products	tCO ₂ eq	30,945	27,243	13,344
		13. Downstream leased assets	tCO ₂ eq	7,973	7,961	8,105
GHG emission intensity	Emission intensity (Scope 1 and 2)		tCO ₂ eq/tonne of product	0.533	0.425	0.486
						0.417

1) The above GHG emissions were rounded to the nearest decimal place and calculated retrospectively based on the scope of subsidiary companies for the year 2023

2) Data in parentheses indicate emissions reflecting offset performance from the purchase of Certified Emission Reduction (CER)

3) In 2023, the Osulloc production facility was acquired and merged from Amorepacific Corporation to a subsidiary of Amorepacific Group (Osulloc Farm Co., Ltd.), resulting in changes to the organizational boundary diagram of the past four years

4) For the Scope 1 emissions of Amorepacific’s Shanghai beauty operations from 2021 to 2023, the Scope 1 emissions were offset by purchasing Certified Emission Reductions (CER)

5) Amorepacific(Shanghai)’s 2020-2021 data collection range was limited to production plants (1,2,3) and from 2022, headquarters, R&I Center, and logistics have been included

6) Regarding the previously reported emissions from the use of sold products in Category 11 of Scope 3, in accordance with the GHG Protocol’s Scope 3 Calculation Guideline, as this is optional calculation category, the emissions were excluded from the existing inventory. For results of voluntarily calculated emissions, please refer to the greenhouse gas verification statement on page 121

Environmental Performance

Energy Consumption¹⁾ – Amorepacific Group

Category			Unit	2020	2021	2022	2023	
Energy consumption	Total energy consumption		TJ	608	619	597	570	
	Consumption by business site	Amorepacific (Domestic)		TJ	451	453	425	404
		Amorepacific (Shanghai) 2)		TJ	48	57	57	49
		Cosvision		TJ	34	41	41	41
		Tata’s Natural Alchemy, LLC		TJ	n/a	3	3	3
		Innisfree 3)		TJ	n/a	n/a	11	11
		Osulloc Farm		TJ	50	43	45	47
		Amorepacific Group others 4)		TJ	24	23	15	16
	Type	Fuel	Subtotal	TJ	249	237	223	209
			Amorepacific (Domestic)	TJ	175	163	153	137
			Amorepacific (Shanghai)	TJ	16	20	19	16
			Cosvision	TJ	13	15	15	15
			Tata’s Natural Alchemy, LLC	TJ	n/a	2	2	2
			Innisfree	TJ	n/a	n/a	2	1
			Osulloc Farm	TJ	37	29	30	34
			Amorepacific Group others	TJ	8	7	4	4
		Electric power	Subtotal	TJ	343	315	255	192
			Amorepacific (Domestic)	TJ	261	259	183	132
			Amorepacific (Shanghai)	TJ	32	0	8	0
			Cosvision	TJ	22	26	26	24
			Tata’s Natural Alchemy, LLC	TJ	n/a	1	1	1
			Innisfree	TJ	n/a	n/a	10	10
			Osulloc Farm	TJ	13	14	15	13
			Amorepacific Group others	TJ	16	15	12	12
		Renewable energy 5)	Subtotal	TJ	16	67	119	169
			Amorepacific (Domestic)	TJ	16	30	89	134
			Amorepacific (Shanghai)	TJ	0	37	30	32
			Cosvision	TJ	0	0	0	3
			Tata’s Natural Alchemy, LLC	TJ	n/a	0	0	0
			Innisfree	TJ	n/a	n/a	0	0
			Osulloc Farm	TJ	0	0	0	0
			Amorepacific Group others	TJ	0	0	0	0
2023 Target		TJ				571		
Energy intensity			TJ/tonne of product	0.006	0.006	0.008	0.008	

Energy Consumption¹⁾ – Amorepacific

Category				Unit	2020	2021	2022	2023
Energy consumption	Total energy consumption			TJ	534	554	525	497
	Consumption by business site	Amorepacific (Domestic)		TJ	451	453	425	404
		Amorepacific (Shanghai) 2)		TJ	48	57	57	49
		Cosvision		TJ	34	41	41	41
		Tata’s Natural Alchemy, LLC		TJ	n/a	3	3	3
	Type	Fuel	Subtotal	TJ	204	200	188	170
			Amorepacific (Domestic)	TJ	175	163	153	137
			Amorepacific (Shanghai)	TJ	16	20	19	16
			Cosvision	TJ	13	15	15	15
			Tata’s Natural Alchemy, LLC	TJ	n/a	2	2	2
		Electric power	Subtotal	TJ	314	286	218	158
			Amorepacific (Domestic)	TJ	261	259	183	132
			Amorepacific (Shanghai)	TJ	32	0	8	0
			Cosvision	TJ	22	26	26	24
			Tata’s Natural Alchemy, LLC	TJ	n/a	1	1	1
		Renewable energy 5)	Subtotal	TJ	16	67	119	169
			Amorepacific (Domestic)	TJ	16	30	89	134
			Amorepacific (Shanghai)	TJ	0	37	30	32
			Cosvision	TJ	0	0	0	3
			Tata’s Natural Alchemy, LLC	TJ	n/a	0	0	0
2023 Target			TJ				499	
Energy intensity				TJ/tonne of product	0.005	0.005	0.007	0.007

1) The above GHG emissions were rounded to the nearest decimal place and calculated retrospectively based on the scope of subsidiary companies for the year 2023

2) The data collection scope for Amorepacific (Shanghai) for 2020–2021 was limited to production site, and starting from 2022, the data were aggregated to include headquarters, R&I, and logistics

3) The GHG emissions data for Innisfree has been collected from 2022

4) ‘Amorepacific Group others’ include Amos Professional, Amorepacific Empathy Foundation, Amorepacific Foundation, Osulloc, BBDO Korea, Suh Kyungbae Foundation, Etude, Espoir

5) Energy generated through hydropower, solar power, solar thermal power, wind power, geothermal power, and bioenergy

Environmental Performance

Water Resource – Amorepacific Group¹⁾

Category			Unit	2020	2021	2022	2023
Water Withdrawal	Entire company	Total	m ³	1,093,066	981,517	943,596	869,224
	Source	Fresh surface water	m ³	33,602	37,056	34,521	55,066
		Groundwater (renewable)	m ³	255,363	242,279	282,581	204,625
		Third-party sources	m ³	804,101	702,182	626,494	609,533
	Corporation	Amorepacific (Domestic)	m ³	545,142	562,647	511,154	516,809
		Amorepacific (Shanghai)	m ³	96,751	81,842	82,516	73,894
		Cosvision	m ³	57,781	68,406	64,012	62,793
		Osulloc Farm	m ³	238,882	226,733	266,664	194,392
		Others ²⁾	m ³	154,510	41,889	19,250	21,335
		from Water Stressed Areas ³⁾	m ³	276,532	269,302	220,777	228,337
		Intensity of water withdrawal	m ³ /tonne of product	9.0	8.6	12.3	12.6
Water Consumption		Deionized water used in product manufacturing	m ³	50,947	54,736	37,033	34,211
		from Water Stressed Areas ³⁾	m ³	39,419	41,518	27,695	24,821
		Intensity of water consumption	m ³ /tonne of product	0.4	0.5	0.5	0.5
Water Discharge		Total	m ³	1,042,119	926,780	906,563	835,013
		Fresh surface water	m ³	1,906	1,421	4,016	3,937
		Groundwater	m ³	246,370	234,389	275,742	216,587
		Third-party destinations	m ³	793,843	690,970	626,805	614,489
		from Water Stressed Areas ³⁾	m ³	237,113	228,957	201,011	198,105
		Intensity of water discharge	m ³ /tonne of product	8.6	8.1	11.8	12.1
Reused water/Recycled water		Total	m ³	54,010	72,507	72,017	85,703

Water Resource – Amorepacific¹⁾

Category	Production site	Source	Unit	2020	2021	2022	2023
Water	Entire company	Total	m ³	641,893	712,895	657,682	653,496
Withdrawal	Amorepacific (Domestic)	Subtotal	m ³	545,142	562,647	511,154	516,809
	Amore Beauty Park	Subtotal	m ³	154,842	171,090	155,426	164,514
		Fresh surface water	m ³	33,465	36,408	33,846	54,542
		Groundwater (renewable)	m ³	1,675	2,061	4,945	483
		Third-party sources	m ³	119,702	132,621	116,635	109,489
	Daily Beaty production site	Third-party sources	m ³	217,850	199,442	163,355	159,892
	R&I Center	Third-party sources	m ³	53,778	41,969	50,550	45,725
	Headquarters	Subtotal	m ³	97,213	92,923	90,239	101,672
		Groundwater (renewable)	m ³	9,805	9,149	9,373	9,343
		Third-party sources	m ³	87,408	83,774	80,866	92,328
	Healthcare production site ²⁾	Third-party sources	m ³	n/a	25,973	23,479	22,797
	Logistics center	Third-party sources	m ³	19,217	28,632	25,484	20,165
	Osulloc production site ³⁾	Third-party sources	m ³	2,242	2,618	2,621	2,045
	Amorepacific (Shanghai)	Subtotal	m ³	96,751	81,842	82,516	73,894
		Groundwater (renewable)	m ³	137	648	675	524
		Third-party sources	m ³	96,614	81,194	81,841	73,370
	Cosvision ²⁾	Third-party sources	m ³	n/a	68,406	64,012	62,793
	from Water Stressed Areas ⁴⁾		m ³	218,751	269,302	220,777	228,337
	Intensity of water withdrawal		m ³ /tonne of product	7.0	6.6	8.7	9.7
	2023 Target	Third-party sources ⁵⁾	m ³				334,249
Water		Deionized water used in product manufacturing	m ³	48,174	54,736	37,033	34,211
Consumption	from Water Stressed Areas ⁴⁾		m ³	36,646	41,518	27,695	24,821
	Intensity of water consumption		m ³ /tonne of product	0.5	0.5	0.5	0.5
Water		Total	m ³	591,477	655,541	620,649	619,286
Discharge		Fresh surface water	m ³	1,906	1,421	4,016	3,937
		Groundwater	m ³	7,853	8,069	9,240	23,749
		Third-party destinations	m ³	581,718	646,051	607,393	591,600
	from Water Stressed Areas ⁴⁾		m ³	182,105	228,957	201,011	198,105
	Intensity of water discharge		m ³ /tonne of product	6.5	6.1	8.2	9.2
Reused water/Recycled water		Total	m ³	50,824	72,353	71,477	84,804

1) With the expansion of the reporting scope in 2023 to include the headquarters, R&I Center, and logistics centers in addition to the existing production sites, the water resource data for 2020-2022 will also be retrospectively applied to the changed scope

2) Subsidiary companies located at the headquarters, data before the sales of Pacific Package (current Autajon Packaging Pacific) in 2022, data before the sales of Pacific Glas (current Verescence Pacific) in 2021, and Aestura’s data before the Amorepacific merger in 2021 are classifies as ‘Others’

3) According to the assessment using the WRI’s Aqueduct 4.0 Water Risk Atlas Data, areas that are projected to reach a ‘high (40–80%)’ risk level by the year 2030 under the scenario RCP7.0 BAU as of April 2024

1) With the expansion of the reporting scope in 2023 to include the headquarters, R&I Center, and logistics centers in addition to the existing production sites, the water resource data for 2020-2022 will also be retrospectively applied to the changed scope

2) Reflected as Amorepacific consolidated basis since its acquisition by Amorepacific in 2021

3) Operation ends in 2023

4) According to the assessment using the WRI’s Aqueduct 4.0 Water Risk Atlas Data, areas that are projected to reach a ‘high (40–80%)’ risk level by the year 2030 under the scenario RCP7.0 BAU as of April 2024

5) Facilities that have set third-party water intake targets: Amore Beauty Park, Daily Beauty production site, Healthcare production site, Amorepacific (Shanghai)

Environmental Performance

Waste Management – Amorepacific Group¹⁾

Category			Unit	2020	2021	2022	2023
Total waste generated			tonne	10,673	9,473	7,292	7,696
Type	General waste	Subtotal	tonne	8,911	7,851	6,163	6,716
		Recycling	tonne	7,381	6,775	5,455	6,190
		Incineration (with heat recovery)	tonne	1,313	981	686	523
		Incineration (general)	tonne	210	74	-	-
		Landfill	tonne	5	4	-	-
		Others ²⁾	tonne	2	18	22	4
	Designated waste	Subtotal	tonne	1,762	1,622	1,129	980
		Recycling	tonne	1,287	1,316	1,002	853
		Incineration (with heat recovery)	tonne	46	100	103	86
		Incineration (general)	tonne	405	205	23	41
		Landfill	tonne	25	-	-	-
		Others ²⁾	tonne	-	1	0	0
	Recycling rate		%	81.2	85.4	88.6	91.5
Corporation	Amorepacific (Domestic)		tonne	6,908	7,235	5,697	6,087
	Amorepacific (Shanghai)		tonne	826	742	589	591
	Cosvision		tonne	1,024	1,218	959	937
	Osulloc Farm		tonne	2	1	2	37
	Others ³⁾		tonne	1,913	277	45	44

1) In 2023, the reporting scope has been expanded from the existing production sites to include the headquarters, R&I Center, and logistics centers, and as a result, the waste data for 2020–2022 has also been retroactively applied to the changed scope

2) Neutralization, dehydration, drying, intermediate recycling business.

3) Subsidiaries located in the headquarters, Pacific Package before its sales in 2022 (current Autajon Packaging Pacific), Pacific Glas before its sales in 2021 (current Verescence Pacific), and Aestura data prior to its merger with Amorepacific in 2021 are categorized as others.

Waste Management – Amorepacific¹⁾

Category			Unit	2020	2021	2022	2023
Total waste generated			tonne	7,734	9,195	7,245	7,615
Type	General waste	Subtotal	tonne	6,529	7,716	6,116	6,635
		Recycling	tonne	5,414	6,736	5,427	6,126
		Incineration (with heat recovery)	tonne	1,110	959	669	510
		Incineration (general)	tonne	-	-	-	-
		Landfill	tonne	5	4	-	-
		Others	tonne	-	17	20	-
	Designated waste	Subtotal	tonne	1,205	1,479	1,129	979
		Recycling	tonne	1,084	1,316	1,002	853
		Incineration (with heat recovery)	tonne	34	100	103	86
		Incineration (general)	tonne	87	62	23	41
		Landfill	tonne	-	-	-	-
		Others	tonne	-	1	0	-
	Recycling rate		%	84.0	87.6	88.7	91.6
Corporation	Amorepacific (Domestic)		tonne	6,908	7,235	5,697	6,087
	Amorepacific (Shanghai)		tonne	826	742	589	591
	Cosvision ²⁾		tonne	n/a	1,218	959	937
	2023 Target	Non-recyclable waste ³⁾	tonne	240			

1) In 2023, the reporting scope has been expanded from the existing production sites to include the headquarters, R&I Center, and logistics centers, and as a result, the waste data for 2020–2022 has also been retroactively applied to the changed scope

2) Since the acquisition by Amorepacific in 2021, it has been reflected within the consolidated scope of Amorepacific.

3) The facilities that set a target for non-recyclable waste are Amore Beauty Park and Daily Beauty production site, and these targets have been achieved.

Environmental Performance

Pollutant Generation – Amorepacific Group¹⁾

Category		Unit	2020 ²⁾	2021	2022	2023
Air pollutants ³⁾	Dust	tonne	1.5	1.4	1.0	0.9
	SOx	tonne	17.5	-	0.0	0.0
	NOx	tonne	21.5	10.5	5.7	5.1
Water pollutants	TOC ⁴⁾	tonne	n/a	6.6	5.7	8.2

Pollutant Generation – Amorepacific¹⁾

Category		Unit	2020 ²⁾	2021	2022	2023
Air pollutants ³⁾	Dust	tonne	0.9	1.3	1.0	0.9
	SOx	tonne	-	-	0.0	0.0
	NOx	tonne	11.1	10.5	5.7	5.1
Water pollutants	TOC ⁴⁾	tonne	n/a	6.6	5.7	8.2

1) For the year 2023, the reporting scope has been expanded from the existing production sites to include the headquarters, R&I Center, and logistics centers. The emission calculation method has been changed, and the pollutant data for 2020–2022 has also been retroactively applied according to the revised scope.

2) The emission volume of Pacific Glas before its sale is included.

3) For Class 4/5 production site, the emission factors are multiplied to calculate the emissions.

4) Since 2021, the standards for discharged water quality have been changed, and the 2021–2022 Cosvision TOC data have been recalculated to include these new standards.

Sustainable Product Development – Amorepacific Group¹⁾

Category		Unit	2021	2022	2023
Percentage of new sustainable products	Percentage of new products implementing environmentally and socially friendly attributes	%	73.9	77.0	87.8

Sustainable Product Development – Amorepacific¹⁾

Category		Unit	2021	2022	2023
Percentage of new sustainable products	Percentage of new products implementing environmentally and socially friendly attributes	%	88.0	90.5	91.9

1) Sustainable products are those that meet the criteria defined in the company’s ‘Sustainable Product Development Regulations’.

Environmental Performance

Environmental Management Implementation – Amorepacific Group

Category		Unit	2020	2021	2022	2023
Environmental operations and investments	Total	100 million KRW	39.5	43.9	45.5	58.3
	Type	Operations	100 million KRW	35.3	35.5	32.9
		Investments	100 million KRW	4.2	8.4	12.6
Environmental compliance ¹⁾	Number of significant violation of environment related legal obligations/regulations cases	Case	0	0	0	0
	Amount of significant violation of environmental fines/penalties	100 million KRW	0	0	0	0

1) Calculated on a basis of fines and penalties of \$10,000 or more for significant environmental violations

Environmental Management Implementation – Amorepacific

Category		Unit	2020	2021	2022	2023
Environmental operations and investments	Total	100 million KRW	25.3	40.9	45.0	57.3
	Type	Operations	100 million KRW	22.9	32.6	32.6
		Investments	100 million KRW	2.5	8.3	12.4
Environmental compliance ¹⁾	Number of significant violation of environment related legal obligations/regulations cases	Case	0	0	0	0
	Amount of significant violation of environmental fines/penalties	100 million KRW	0	0	0	0
Eco-friendly purchases and sales ²⁾	Percentage of eco-friendly purchases	%	4.8	2.8	2.9	1.5
	Percentage of eco-friendly sales	%	20.5	42.8	64.1	90.3

1) Calculated on a basis of fines and penalties of \$10,000 or more for significant environmental violations

2) Calculated based on a separate basis for the domestic corporation of Amorepacific

Category				Unit	2021	2022	2023	
Total number of employees				Person	10,106	9,091	8,533	
Employees by region	Domestic			Person	5,537	5,226	4,935	
	Overseas	Subtotal		Person	4,569	3,865	3,598	
		Asia		Person	4,367	3,648	3,257	
		North America		Person	139	156	294	
		Europe & Others		Person	63	61	47	
	Ratio of domestic employees			%	54.8	57.5	57.8	
	Ratio of overseas employees	Asia		%	43.2	40.1	38.2	
		North America		%	1.4	1.7	3.4	
		Europe & Others		%	0.6	0.7	0.6	
Employees by gender	Male		Person	2,783	2,561	2,444		
	Female		Person	7,323	6,530	6,089		
	Ratio of males		%	27.5	28.2	28.6		
	Ratio of females		%	72.5	71.8	71.4		
Managers	Total		Person	1,537	1,493	1,630		
	Region	Domestic		Person	1,227	1,179	1,285	
		Overseas	Subtotal		Person	310	314	345
			Asia		Person	269	268	278
			North America		Person	30	33	55
			Europe & Others		Person	11	13	12
		Ratio of domestic employees			%	79.8	79.0	78.8
		Ratio of overseas employees	Asia		%	17.5	18.0	17.1
			North America		%	2.0	2.2	3.4
	Europe & Others		%	0.7	0.9	0.7		
	Gender	Male		Person	927	872	932	
		Female		Person	610	621	698	
		Ratio of males		%	60.3	58.4	57.2	
		Ratio of females		%	39.7	41.6	42.8	

Social Performance

Domestic Employment – Amorepacific Group

Category		Unit	2021	2022	2023
Total number of domestic employees		Person	6,602	6,145	5,879
Employment status	Permanent ¹⁾	Person	6,203	5,774	5,509
	Temporary ²⁾	Person	399	371	370
Gender	Male	Person	2,417	2,228	2,184
	Female	Person	4,185	3,917	3,695
Age group	< 30 years old	Person	1,289	1,016	846
	30–49 years old	Person	5,041	4,835	4,716
	≥ 50 years old	Person	272	294	317
Employees with disabilities		Person	104	128	121

Domestic Employment – Amorepacific

Category		Unit	2021	2022	2023
Total number of domestic employees		Person	5,537	5,226	4,935
Employment status	Permanent ¹⁾	Person	5,228	4,940	4,636
	Temporary ²⁾	Person	309	286	299
Gender	Male	Person	1,987	1,859	1,804
	Female	Person	3,550	3,367	3,131
Age group	< 30 years old	Person	1,027	805	647
	30–49 years old	Person	4,268	4,153	3,999
	≥ 50 years old	Person	242	268	289
Employees with disabilities		Person	102	121	114

1) Executives included

2) Contract workers and interns included, but dispatched workers not included

Overseas Local Employment – Amorepacific Group, Amorepacific¹⁾

Category		Unit	2021	2022	2023	
Local employment	Number of local employees		Person	4,434	3,739	3,493
	Local employment ratio among overseas employees		%	97.0	96.7	97.1
	Region	Asia	Person	4,244	3,532	3,165
		North America	Person	133	150	286
		Europe & Others	Person	57	57	42
	Gender	Male	Person	680	596	548
		Female	Person	3,754	3,143	2,945
	Age group	< 30 years old	Person	1,792	1,364	1,251
		30–49 years old	Person	2,577	2,298	2,145
		≥ 50 years old	Person	65	76	97
Local managers	Number of local managers		Person	207	215	253
	Local employment ratio among overseas managers		%	66.8	68.5	73.3
	Gender	Male	Person	46	53	51
		Female	Person	161	162	202

1) In the case of overseas local employment status, dispatched personnel were excluded. As all overseas subsidiaries are included within the Amorepacific consolidation scope, the number of employees for Amorepacific Group and Amorepacific are identical

Social Performance

Diversity – Amorepacific Group

Category			Unit	2021	2022	2023
Ratio of female by job group	Revenue-generating positions		%	78.7	77.0	76.5
	STEM-related positions		%	49.2	50.6	49.8
Ratio of female managers	Total number of managers		%	40.0	45.7	42.5
	Top managers		%	21.6	23.8	35.6
	Middle managers		%	40.8	42.8	46.8
	Junior-level managers		%	42.6	46.2	41.3
	Managers with revenue-generating positions		%	42.4	43.0	43.4
Equal pay ¹⁾ (Ratio of average wage for female compared to male)	Executive position	Base pay	%	115.4	91.9	87.7
		Total	%	94.9	81.1	103.3
	Managerial position	Base pay	%	90.0	90.2	85.6
		Total	%	85.0	88.5	86.1
	Non-managerial position	Base pay	%	88.6	93.8	89.8

Diversity – Amorepacific

Category			Unit	2021	2022	2023
Ratio of female by job group	Revenue-generating positions		%	80.1	77.9	77.6
	STEM-related positions		%	50.3	51.3	51.0
Ratio of female managers	Total number of managers		%	39.7	46.7	42.8
	Top managers		%	22.6	24.3	38.4
	Middle managers		%	42.1	44.3	49.0
	Junior-level managers		%	41.3	41.8	40.5
	Managers with revenue-generating positions		%	39.4	42.0	43.0
Equal pay ¹⁾ (Ratio of average wage for female compared to male)	Executive position	Base pay	%	93.2	94.9	95.3
		Total	%	93.7	113.3	103.5
	Managerial position	Base pay	%	93.0	91.9	94.1
		Total	%	89.0	89.8	93.0
	Non-managerial position	Base pay	%	91.0	88.2	89.7

1) In the case of current status of equal pay, Amorepacific is calculated based on a consolidated basis for the domestic corporation of Amorepacific Group

1) In the case of current status of equal pay, Amorepacific is calculated based on a consolidated basis for the domestic corporation of Amorepacific

Social Performance

Employee Hiring and Turnover – Amorepacific Group

Category			Unit	2020	2021	2022	2023
New hiring status ¹⁾	Total		Person	415	583	538	883
	Gender	Male	Person	112	162	138	202
		Female	Person	303	421	400	681
		Ratio of males	%	27.0	27.8	25.7	22.9
		Ratio of females	%	73.0	72.2	74.3	77.1
	Age group	< 30 years old	Person	264	409	360	566
		30–49 years old	Person	142	165	172	281
		≥50 years old	Person	9	9	6	36
		Ratio of < 30 years old	%	63.6	70.2	66.9	64.1
		Ratio of 30–49 years old	%	34.2	28.3	32.0	31.8
		Ratio of ≥50 years old	%	2.2	1.5	1.1	4.1
	Internal hiring rate for open positions ²⁾		%	32.6	42.4	56.9	50.0
	Average hiring cost per employee ²⁾		10,000 KRW/person	426	289	301	229
Employee turnover status ²⁾	Total employee turnover rate		%	13.6	6.2	8.5	9.4
	Voluntary employee turnover rate ³⁾		%	4.9	4.4	7.1	5.4

1) Calculated including both permanent and temporary employees

2) Calculated on the basis of permanent employees

3) Voluntary Employee Turnover occurs when an employee voluntarily resigns regardless of the company’s intentions; it includes company transfer and resignation.

Employee Hiring and Turnover – Amorepacific

Category			Unit	2020	2021	2022	2023
New hiring status ¹⁾	Total		Person	305	426	392	583
	Gender	Male	Person	89	127	88	140
		Female	Person	216	299	304	443
		Ratio of males	%	29.2	29.8	22.4	24.0
		Ratio of females	%	70.8	70.2	77.6	76.0
	Age group	< 30 years old	Person	192	290	258	378
		30–49 years old	Person	105	132	129	181
		≥50 years old	Person	8	4	5	24
		Ratio of < 30 years old	%	63.0	68.1	65.8	64.8
		Ratio of 30–49 years old	%	34.4	31.0	32.9	22.5
		Ratio of ≥50 years old	%	2.6	0.9	1.3	4.1
	Internal hiring rate for open positions ²⁾		%	32.6	44.7	57.1	55.2
	Average hiring cost per employee ²⁾		10,000 KRW/person	745	538	527	492
Employee turnover status ²⁾	Total employee turnover rate		%	14.8	6.1	7.4	9.2
	Voluntary employee turnover rate ³⁾		%	4.4	4.1	6.1	4.8

1) Calculated including both permanent and temporary employees

2) Calculated on the basis of permanent employees

3) Voluntary Employee Turnover occurs when an employee voluntarily resigns regardless of the company’s intentions; it includes company transfer and resignation.

Social Performance

Employee Training and Development – Amorepacific Group

Category			Unit	2021	2022	2023
Total number of employees eligible for the training ¹⁾			Person	6,203	5,774	5,509
Total training hours			Hour	185,758	244,230	226,825
Average training hours	Training hours per person		Hour/person	29.9	42.3	41.2
	Gender ²⁾	Male	Hour/person	n/a	44.8	44.1
		Female	Hour/person	n/a	40.8	35.3
	Age group ²⁾	< 30 years old	Hour/person	n/a	40.8	11.3
		30–49 years old	Hour/person	n/a	43.5	44.3
		≥ 50 years old	Hour/person	n/a	26.3	26.2
Average training cost per person			KRW/person	361,902	298,048	305,609

1) Calculated in the basis of permanent employees
2) Average training hours by gender and age group calculated since 2022

Employee Training and Development – Amorepacific

Category			Unit	2021	2022	2023
Total number of employees eligible for the training ¹⁾			Person	5,228	4,940	4,636
Total training hours			Hour	171,598	207,669	191,023
Average training hours	Training hours per person		Hour/person	32.8	42.0	41.2
	Gender ²⁾	Male	Hour/person	n/a	45.2	44.1
		Female	Hour/person	n/a	41.9	35.6
	Age group ²⁾	< 30 years old	Hour/person	n/a	42.0	11.6
		30–49years old	Hour/person	n/a	43.0	43.9
		≥ 50 years old	Hour/person	n/a	27.1	28.1
Average training cost per person			KRW/person	367,533	304,524	304,742

1) Calculated in the basis of permanent employees
2) Average training hours by gender and age group calculated since 2022

Social Performance

Parental Leave – Amorepacific Group

Category		Unit	2021	2022	2023
Number of employees using parental leave	Total	Person	425	461	484
	Gender	Male	11	29	43
		Female	414	432	441
Number of return-to-work after parental leave	Total	Person	416	435	454
	Gender	Male	11	26	40
		Female	405	409	414
Return-to-work rate after parental leave ¹⁾	Total	%	97.9	94.4	93.8
	Gender	Male	100.0	89.7	93.0
		Female	97.8	94.7	93.9
Retention rate after returning to work ²⁾	Total	%	90.4	84.1	85.1
	Gender	Male	75.0	63.6	92.3
		Female	91.4	84.7	84.6

1) Return rate = (the number of people who have returned after parental leave) / (the number of people who are scheduled to return after parental leave) × 100

2) Retention rate after returning = (the number of people who have retained employment for 12 months after returning from parental leave) / (the number of people who have returned from parental leave during the previous reporting period) × 100

Parental Leave – Amorepacific

Category		Unit	2021	2022	2023
Number of employees using parental leave	Total	Person	363	401	428
	Gender	Male	10	24	38
		Female	353	377	390
Number of return-to-work after parental leave	Total	Person	354	379	399
	Gender	Male	10	22	35
		Female	344	357	364
Return-to-work rate after parental leave ¹⁾	Total	%	97.5	94.5	93.2
	Gender	Male	100.0	91.7	92.1
		Female	97.5	94.7	93.3
Retention rate after returning to work ²⁾	Total	%	95.2	83.6	85.8
	Gender	Male	86.7	70.0	90.9
		Female	95.7	84.0	85.4

1) Return rate = (the number of people who have returned after parental leave) / (the number of people who are scheduled to return after parental leave) × 100

2) Retention rate after returning = (the number of people who have retained employment for 12 months after returning from parental leave) / (the number of people who have returned from parental leave during the previous reporting period) × 100

Social Performance

Occupational Safety and Health – Amorepacific Group

Category		Unit	2020	2021	2022	2023
Employees	Fatalities	Case	0	0	0	0
	Accident rate	Rate1)	0.065	0.145	0.089	0.157
		Number of accident victims	6	12	7	11
	LTIFR	Rate2)	0.336	0.755	0.465	0.818
		Number of industrial accidents	6	12	7	11
	OIFR	Rate3)	0	0	0	0
		Number of occupational diseases	0	0	0	0
In-house suppliers (Contractors)	Fatalities	Case	0	0	0	0
	Accident rate	Rate1)	0.043	0.155	0.074	0.150
		Number of accident victims	5	14	5	7
	LTIFR	Rate2)	0.223	0.807	0.386	0.783
		Number of industrial accidents	5	14	5	7
	OIFR	Rate3)	0	0	0	0
		Number of occupational diseases	0	0	0	0

1) Accident rate = (number of casualties) / (average number of workers per year) × 100

2) Lost Time Injuries Frequency Rate (LTIFR) = (total case of accidents) / (annual working hours) × 1,000,000

3) Occupational Illness Frequency Rate (OIFR) = (total case of occupational diseases) / (annual working hours) × 200,000

Occupational Safety and Health – Amorepacific

Category		Unit	2020	2021	2022	2023
Employees	Fatalities	Case	0	0	0	0
	Accident rate	Rate1)	0.064	0.139	0.102	0.148
		Number of accident victims	5	10	7	9
	LTIFR	Rate2)	0.334	0.725	0.532	0.772
		Number of industrial accidents	5	10	7	9
	OIFR	Rate3)	0	0	0	0
		Number of occupational diseases	0	0	0	0
In-house suppliers (Contractors)	Fatalities	Case	0	0	0	0
	Accident rate	Rate1)	0.049	0.140	0.078	0.139 ⁴⁾
		Number of accident victims	5	12	5	6
	LTIFR	Rate2)	0.253	0.728	0.406	0.723 ⁵⁾
		Number of industrial accidents	5	12	5	6
	OIFR	Rate3)	0	0	0	0
		Number of occupational diseases	0	0	0	0

1) Accident rate = (number of casualties) / (average number of workers per year) × 100

2) Lost Time Injuries Frequency Rate (LTIFR) = (total case of accidents) / (annual working hours) × 1,000,000

3) Occupational Illness Frequency Rate (OIFR) = (total case of occupational diseases) / (annual working hours) × 200,000

4) AmorePacific (Separate): 0.120%, Cosvision: 0.658%, Wedream: 0%

5) AmorePacific (Separate): 0.624%, Cosvision: 3.427%, Wedream: 0%

Social Performance

CSR – Amorepacific Group

Category		Unit	2021	2022	2023
Expenditures on CSR activities	Amount of expenditure	Million KRW	17,219	17,405	13,444
	Ratio compared to sales	%	0.32	0.39	0.33

CSR – Amorepacific

Category		Unit	2021	2022	2023
Expenditures on CSR activities	Amount of expenditure	Million KRW	16,027	15,330	11,641
	Ratio compared to sales	%	0.33	0.37	0.32

Product Recall – Amorepacific Group

Category		Unit	2020	2021	2022	2023
Product recall	Number of recall	Case	0	0	0	0

Product Recall – Amorepacific

Category		Unit	2020	2021	2022	2023
Product recall	Number of recall	Case	0	0	0	0

Customer Satisfaction Measurement – Amorepacific

Category		Unit	2020	2021	2022	2023
Customer satisfaction ¹⁾	Percentage of resolved customer complaints	%	99.6	99.0	99.9	99.5
	Customer service satisfaction measurement results	%	75.3	83.2	82.9	86.0

R&D and Product Innovation – Amorepacific

Category		Unit	2020	2021	2022	2023
R&D spending ²⁾	R&D spending ratio compared to sales	%	2.5	2.6	2.9	3.7
	Total R&D spending	Million KRW	112,265	128,321	121,146	136,242

Category			Unit	2023
Product innovation ¹⁾	Ratio of product innovation to revenue	New products commercialized within the reporting year	%	16.4
		Improved products within the reporting year	%	17.4
		Products unchanged or with limited improvement	%	66.2
	Ratio of product innovation to gross profit		Commercialized new and improved products to products unchanged or with limited improvements	%

1) Calculated based on a separate basis for the domestic corporation of Amorepacific

2) Calculated based on domestic and foreign consolidated basis of Amorepacific; see page 23 of the 2023 Amorepacific Business Report, ‘(2) R&D Costs’

Governance Performance

Ethical Management Implementation – Amorepacific Group

Category		Unit	2021	2022	2023
Ethics education	Completion rate of the education	%	92.2	86.6	91.9
	Number of employees eligible for the education	Person	6,319	6,063	5,758
	Number of employees who have completed the education	Person	5,825	5,253	5,291

Ethical Management Implementation – Amorepacific

Category		Unit	2021	2022	2023
Ethics education	Completion rate of the education	%	92.0	86.1	92.4
	Number of employees eligible for the education	Person	5,283	5,122	4,867
	Number of employees who have completed the education	Person	4,861	4,410	4,495

Policy-Related Expenditure – Amorepacific Group

Category		Unit	2021	2022	2023
Political donations and lobbying efforts		Million KRW	0	0	0
Ballot measures, referendums		Million KRW	0	0	0
Major related association membership fees		Million KRW	1,630	1,273	1,467

Major Related Association Membership Fees– Amorepacific Group

Category	Status	Business impact	Unit	2023
Korea Door-to-door Sales Development Association	Member	High	Million KRW	1,200
Korea Cosmetic Association	Member	High	Million KRW	194
Korea Direct Selling Industry Association	Member	High	Million KRW	44
UN Global Compact Network Korea	Member	High	Million KRW	17
Korea Health Functional Food Association	Member	High	Million KRW	12

Governance Performance

Ethics and Anti-Corruption Violation – Amorepacific Group

Category				Unit	2021	2022	2023
Total number of ethics and anti-corruption violations ¹⁾				Case	16	12	15
Number of reports by stakeholder	Clients			Case	0	0	0
	Suppliers			Case	0	2	0
	Employees			Case	7	3	4
	Customers			Case	0	0	0
	Others			Case	9	7	11
Measures by violation type ²⁾	Sexual harassment/ Workplace harassment	Total		Case	3	1	3
		Types of measures	Heavy punishment	Case	2	1	2
			Light disciplinary action	Case	1	0	1
			Others	Case	0	0	0
		Private use of company assets	Total		Case	3	2
	Types of measures		Heavy punishment	Case	1	2	4
			Light disciplinary action	Case	2	0	0
			Others	Case	0	0	0
	Violation of work processes	Total		Case	3	5	4
		Types of measures	Heavy punishment	Case	0	2	3
			Light disciplinary action	Case	1	1	1
			Others	Case	2	2	0

Category				Unit	2021	2022	2023
Measures by violation type ²⁾	Unfair transactions with suppliers/Reception of gifts	Total		Case	1	0	0
		Types of measures	Heavy punishment	Case	0	0	0
			Light disciplinary action	Case	0	0	0
			Others	Case	1	0	0
	Abnormal distribution and copyright violations	Total		Case	2	1	1
		Types of measures	Heavy punishment	Case	1	1	0
			Light disciplinary action	Case	1	0	1
			Others	Case	0	0	0
	Violation of outside work/Absenteeism and tardiness rules	Total		Case	2	0	3
		Types of measures	Heavy punishment	Case	2	0	3
			Light disciplinary action	Case	0	0	0
			Others	Case	0	0	0
	Leakage of business secrets	Total		Case	1	0	0
		Types of measures	Heavy punishment	Case	0	0	0
			Light disciplinary action	Case	0	0	0
			Others	Case	1	0	0
Other failures to comply with ethical standards	Total		Case	1	3	0	
	Types of measures	Heavy punishment	Case	0	2	0	
		Light disciplinary action	Case	0	0	0	
		Others	Case	1	1	0	

1) The aggregated data includes cases where the results of the investigation were confirmed after receiving reports on ethics and anti-corruption, through the ethical management hotline, regular audits, and ad hoc audits

2) Other types of measures include personnel actions, verbal warnings, and reoccurrence prevention pledges

Governance Performance

Ethics and Anti-Corruption Violation – Amorepacific

Category				Unit	2021	2022	2023	
Total number of ethics and anti-corruption violations1)				Case	14	9	13	
Number of reports by stakeholder	Clients			Case	0	0	0	
	Suppliers			Case	0	1	0	
	Employees			Case	6	2	4	
	Customers			Case	0	0	0	
	Others			Case	8	6	9	
Measures by violation type2)	Sexual harassment/ Workplace harassment	Total		Case	2	0	2	
		Types of measures	Heavy punishment		Case	2	0	2
			Light disciplinary action		Case	0	0	0
			Others		Case	0	0	0
		Private use of company assets	Total		Case	3	2	3
	Types of measures		Heavy punishment		Case	1	2	3
			Light disciplinary action		Case	2	0	0
			Others		Case	0	0	0
	Violation of work processes		Total		Case	3	4	4
		Types of measures	Heavy punishment		Case	0	1	3
			Light disciplinary action		Case	1	1	1
			Others		Case	2	2	0

Category				Unit	2021	2022	2023	
Measures by violation type2)	Unfair transactions with suppliers/Reception of gifts	Total		Case	0	0	0	
		Types of measures	Heavy punishment		Case	0	0	0
			Light disciplinary action		Case	0	0	0
			Others		Case	0	0	0
		Abnormal distribution and copyright violations	Total		Case	2	1	1
	Types of measures		Heavy punishment		Case	1	1	0
			Light disciplinary action		Case	1	0	1
			Others		Case	0	0	0
	Violation of outside work/Absenteeism and tardiness rules		Total		Case	2	0	3
		Types of measures	Heavy punishment		Case	2	0	3
			Light disciplinary action		Case	0	0	0
			Others		Case	0	0	0
		Leakage of business secrets	Total		Case	1	0	0
	Types of measures		Heavy punishment		Case	0	0	0
			Light disciplinary action		Case	0	0	0
			Others		Case	1	0	0
	Other failures to comply with ethical standards		Total		Case	1	2	0
		Types of measures	Heavy punishment		Case	0	2	0
			Light disciplinary action		Case	0	0	0
			Others		Case	1	0	0

1) The aggregated data includes cases where the results of the investigation were confirmed after receiving reports on ethics and anti-corruption, through the ethical management hotline, regular audits, and ad hoc audits

2) Other types of measures include personnel actions, verbal warnings, and reoccurrence prevention pledges

Reporting Methodology

Reporting Period

The information contained in the report represents the performance during the period from January 1, 2023, to December 31, 2023. Some information prior to 2023 or the first half of 2024 is included, and explicitly indicated within the report. For quantitative performance, we provide data for the latest three years (2021-2023) or four years (2020-2023) to enable annual trend analysis.

Reporting Scope

The scope of financial performance reporting was prepared in accordance with K-IFRS consolidation criteria¹⁾ unless otherwise stated. The scope of non-financial performance reporting covers the domestic and overseas consolidated subsidiaries of the company (Amorepacific Group, Amorepacific, Innisfree, Etude, Amos Professional, Espoir, Osulloc, Osulloc Farm, Cosvision, Wedream, Green Partners, and overseas subsidiaries) included in the financial performance, and the performance of the subsidiary is indicated separately in the text. In the case of Amorepacific, the major subsidiary, the reporting covers domestic business sites (Headquarters, R&I Center, HR Development Center, Regional Offices, Amore Beauty Park, Daily Beauty production site, and Healthcare production site) and some of its activities from overseas subsidiaries.

If the scope of a consolidated subsidiary changes due to its sale, acquisition, or merger, the performance was calculated by reflecting the scope of consolidation based on the year in which the sale, acquisition, or merger occurred, and the major changes in the scope of consolidation that occurred within 2021–2023 are as follows.

1) For consolidated companies, see ‘1. Status of Consolidated Subsidiaries’ in Amorepacific Group’s 2023 Business Report p.328-330

- Pacific Glas (current Verescence Pacific)
As of 2021, excluded from the Amorepacific Group’s consolidation after Amorepacific Group sold its stake
- Cosvision
As of 2021, changed to the Amorepacific’s consolidation after Amorepacific bought Amorepacific Group’s stake
- Aestura
As of 2021, Aestura, a subsidiary of Amorepacific Group, has been included within the separate scope of Amorepacific due to its absorption merger
- Pacific Package (current Autajon Packaging Pacific)
From 2022, it is excluded from Amorepacific Group’s consolidation after Amorepacific Group sold its stake

Modification and Restatement of Information

Among the information contained in this report, there are some information changed from the report published in the previous reporting year due to modifications and restatement, as follows.

- In this report, the water resource status reported on p.94 has been restated for previous reporting years due to changes in the scope of the reporting sites
- The waste generation status reported on p.95 of this report has been restated for previous reporting years due to changes in the scope of the reporting sites
- The pollutant emission status reported on p.96 of this report has been restated for previous reporting years due to changes in the scope of the reporting sites

- The diversity status of [Amorepacific] reported on p.100 of this report has been restated for previous reporting years due to recalculations based on the consolidated Amorepacific standards
- The internal hiring ratio for [Amorepacific]’s open positions, and the average recruitment cost per person reported on p.101 have been restated for previous reporting years following recalculations based on the consolidated Amorepacific standards

Calculation Criteria for Quantitative Performance

Quantitative performance in this report, p.91-108, is reported in Amorepacific Group’s consolidation to enhance stakeholders’ understanding of the company’s ESG activities and performance, and is also reported in Amorepacific’s consolidation, its major subsidiary. Some performance calculated on a separate basis is stated in the notes. The criteria for calculating detailed performance by indicator are as follows.

Calculation Criteria for Environmental Quantitative Performance

Calculation Criteria for Environmental Quantitative Performance		Calculation Criteria for Environmental Quantitative Performance	
Name of Index	Performance Calculation Methodology	Name of Index	Performance Calculation Methodology
· GHG Emissions · Energy Consumption	Scope of the Report <ul style="list-style-type: none">· Among domestic and overseas consolidated subsidiaries, it includes Amorepacific (domestic), Amorepacific (Shanghai), Cosvision, Innisfree, Osulloc Farm, and other Amorepacific Group subsidiaries. See the p.118-120 Verification Statement GHG Inventory in this report for details· In accordance with GHG protocol, 2021 organization boundary is retrospectively applied to the scope of 2023 consolidated subsidiaries· For Amorepacific (Shanghai), only the data from its production site was compiled in 2021, and data from its production site, R&I Center, logistics and headquarters was used from 2022. Calculation Criteria <ul style="list-style-type: none">· Intensity of GHG emissions = (Scope 1 and 2 emissions)/(the number of products on a consolidated basis)· Energy intensity = (Total energy usage)/(the number of products based on a consolidated basis)	· Sustainable Product Development	Scope of the Report <ul style="list-style-type: none">· Domestic consolidated subsidiaries Calculation Criteria <ul style="list-style-type: none">· Percentage of new products with environmentally/socially friendly attributes = (Number of sustainable products among new products)/(number of new products) × 100· Sustainable products are calculated as products that meet the criteria defined in the ‘Sustainable Product Development Rules’ within the company rules
· Water · Waste Management · Pollutant Generation	Scope of the Report <ul style="list-style-type: none">· Domestic and overseas consolidated subsidiaries, such as Amorepacific (domestic), Amorepacific (Shanghai), Cosvision, Osulloc Farm, etc.· Amorepacific (domestic) data includes headquarters, R&I Center, Amore Beauty Park, Daily Beauty production site, Healthcare production site, Osulloc production site, Logitics as the scope of aggregation. Calculation Criteria <ul style="list-style-type: none">· Water Withdrawal, Consumption, and Discharge Intensity = (Total Water Withdrawal, Consumption, Discharge) / (the number of products on a consolidated basis)· Water Withdrawal, Consumption, and Discharge in Water Stress Areas = Water Withdrawal, Consumption, and Discharge of Daily Beauty production sites, Cosvision production site, Daejeon Logistics Center· Waste recycling rate = ((Amount of general waste recycled) + (the amount of designated waste recycled))/(total waste generated)· The annual TOC emission amount is calculated as the sum of the values obtained by multiplying the measured TOC concentrations, which are measured according to the set frequency for each business site, by the wastewater discharge amount during the corresponding period	· Environmental Management Implementation	Scope of the Report <ul style="list-style-type: none">· Corporations that have production sites among domestic and overseas consolidated subsidiaries, such as Amorepacific (domestic), Amorepacific (Shanghai), Cosvision, Osulloc Farm, etc.· Amorepacific (domestic) data includes the headquarters, R&I Center, Amore Beauty Park, Daily Beauty production site, Healthcare production site· However, for eco-friendly purchases and sales indicator, the scope of data collection covers Amorepacific (domestic) on a separate basis Calculation Criteria <ul style="list-style-type: none">· Significant environmental violations are calculated by cases with a fine/penalty of USD 10,000 or more· The purchase amount of eco-friendly products and services is calculated based on whether finished products and raw materials are certified as eco-friendly· Percentage of eco-friendly purchases = (The purchase amount of eco-friendly products and service)/(total purchase amount) × 100· Sales of new eco-friendly products are calculated based on the products with environmental impact improvement and vegan-certified products, as defined in the company’s Sustainable Product Development Rules· Percentage of eco-friendly sales = (New eco-friendly product sales in the reporting year)/(total new product sales in the reporting year)

Calculation Criteria for Social Quantitative Performance

Calculation Criteria for Social Quantitative Performance		Calculation Criteria for Social Quantitative Performance	
Name of Index	Performance Calculation Methodology	Name of Index	Performance Calculation Methodology
Domestic and Overseas Employment	Scope of the Report <ul style="list-style-type: none">Domestic and overseas consolidated subsidiaries	Employee Hiring	Scope of the Report <ul style="list-style-type: none">Domestic consolidated subsidiaries
	Calculation Criteria <ul style="list-style-type: none">Calculated by the number of employees as of December 31st by yearThe number of domestic employees includes permanent and temporary employees but does not include dispatched workersThe number of overseas employees includes permanent and dispatched employees		Calculation Criteria <ul style="list-style-type: none">Includes both permanent and temporary employeesHowever, internal employment rate for open positions and average employment cost are calculated on the basis of permanent employees
Domestic Employment	Scope of the Report <ul style="list-style-type: none">Domestic consolidated subsidiaries Calculation Criteria <ul style="list-style-type: none">Calculated by the number of employees as of December 31st by yearTotal number of permanent employees includes executivesThe number of temporary employees includes contract workers and interns	Turnover	Scope of the Report <ul style="list-style-type: none">Domestic consolidated subsidiaries Calculation Criteria <ul style="list-style-type: none">Calculated on the basis of permanent employees, and records between subsidiaries are excludedVoluntary turnover occurs when an employee voluntarily resigns regardless of the company’s intentions; it includes company transfer and resignationTurnover rate = (The number of turnovers in the reporting year)/(the number of employees in the previous year) ×100
Overseas Local Employment	Scope of the Report <ul style="list-style-type: none">Overseas consolidated subsidiaries Calculation Criteria <ul style="list-style-type: none">Calculated by the number of employees as of December 31st by yearExcludes dispatched employeesAs all overseas subsidiaries are included in the subsidiary subject to Amorepacific’s consolidation, the current status of Amorepacific Group and Amorepacific employment is the same	Employee Training and Development	Scope of the Report <ul style="list-style-type: none">Domestic consolidated subsidiaries Calculation Criteria <ul style="list-style-type: none">The number of employees eligible for the training is calculated based on the number of permanent employees by yearAverage training hours by type = (Total training hours by type)/(the number of employees eligible for the training by type)Average training cost per person = (Total training cost)/(the number of employees eligible for the training)
Diversity	Scope of the Report <ul style="list-style-type: none">Domestic and overseas consolidated subsidiariesHowever, in the case of equivalent wage indicators, it is calculated based on a domestic subsidiaries in a consolidated basis Calculation Criteria <ul style="list-style-type: none">Calculated by the number of employees as of December 31st by yearThe number of employees with revenue-generating positions is calculated as the number of employees in business departments such as sales and brandsThe number of employees in Science, Technology, Engineering, Mathematics (STEM) work is calculated as the number of employees in STEM-related support departments such as SCM, R&D and digital strategy	Parental Leave	Scope of the Report <ul style="list-style-type: none">Domestic consolidated subsidiaries Calculation Criteria <ul style="list-style-type: none">Return rate = (The number of people who have returned after parental leave) / (the number of people who are scheduled to return after parental leave) × 100Retention rate after returning = (The number of people who have retained employment for 12 months after returning from parental leave) / (the number of people who have returned from parental leave during the previous reporting period) × 100

<div><div><div></div><div></div></div></div> <div>112</div>		Chapter 1. Our Company	Chapter 2. Our Approach to Sustainability	Chapter 3. Our Performance	Chapter 4. ESG Factbook	Chapter 5. Appendix																				
Calculation Criteria for Social Quantitative Performance				Calculation Criteria for Governance Quantitative Performance																						
<table><tr><th>Name of Index</th><th>Performance Calculation Methodology</th></tr><tr><td>Occupational Safety and Health</td><td><p>Scope of the Report</p><ul style="list-style-type: none">Domestic consolidated subsidiaries, and Shanghai subsidiary, among overseas consolidated subsidiaries<p>Calculation Criteria</p><ul style="list-style-type: none">Calculated based on the reporting of industrial accidents and the criteria recognized by the competent Ministry of Employment and LaborAccident rate = (Number of casualties)/(average number of workers per year) × 100Lost Time Injuries Frequency Rate (LTIFR) = (Total cases of accidents)/(annual working hours) × 1,000,000Occupational Illness Frequency Rate (OIFR) = (Total cases of occupational diseases)/(annual working hours) × 200,000</td></tr><tr><td>CSR</td><td><p>Scope of the Report</p><ul style="list-style-type: none">Domestic and overseas consolidated subsidiaries<p>Calculation Criteria</p><ul style="list-style-type: none">In the case of the expenditures on CSR activities, it is calculated as the sum of costs, including cash donations, in-kind donations, and management overhead expensesIn the case of disbursement of funds from public foundations, it is reported based on Amorepacific’s consolidated standards</td></tr><tr><td>Customer Satisfaction Measurement</td><td><p>Scope of the Report</p><ul style="list-style-type: none">Amorepacific domestic separate corporation<p>Calculation Criteria</p><ul style="list-style-type: none">Percentage of resolved customer complaints = (The number of resolved customer complaints)/(the number of customer complaints) × 100Customer service satisfaction measurement results are calculated based on the recommendation index in the satisfaction survey sent to the customer after the customer consultation is completed</td></tr><tr><td>R&D and Product Innovation</td><td><p>Scope of the Report</p><ul style="list-style-type: none">In the case of R&D cost indicators, it is calculated based on Amorepacific’s domestic and overseas consolidated subsidiariesProduct innovation indicators are calculated based on Amorepacific domestic separate corporation<p>Calculation Criteria</p><ul style="list-style-type: none">In the case of R&D cost indicators, it is calculated based on ‘(2) R&D Costs,’ standard in page 23 of the 2023 Amorepacific Business Report</td></tr></table>				Name of Index	Performance Calculation Methodology	Occupational Safety and Health	<p>Scope of the Report</p> <ul style="list-style-type: none">Domestic consolidated subsidiaries, and Shanghai subsidiary, among overseas consolidated subsidiaries <p>Calculation Criteria</p> <ul style="list-style-type: none">Calculated based on the reporting of industrial accidents and the criteria recognized by the competent Ministry of Employment and LaborAccident rate = (Number of casualties)/(average number of workers per year) × 100Lost Time Injuries Frequency Rate (LTIFR) = (Total cases of accidents)/(annual working hours) × 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Chapter 5

Appendix

114	GRI Standards Index
116	SASB Index
117	TCFD Index
118	UNGC Index
119	Greenhouse Gas Verification Opinion
122	Independent Assurance Report

GRI Standards Index

Statement of Use

The ‘2023 Amorepacific Group Sustainability Report,’ which covers the ESG performance from January 1, 2023 to December 31, 2023, is reported in accordance with the GRI Standards.

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI Sector Standards

As of May 2024, when Amorepacific Group publishes its report, no applicable GRI Sector Standards were announced by GRI. Therefore, Amorepacific Group reviewed various external data to identify material topics specific to the Household & Personal products industry, based on GICS® standards. The selected material topics were reported along with the corresponding results. For a more detailed explanation, please refer to pages 21-27 of the report.

Topic	Disclosure	Report pages	Comments
General Disclosures			
GRI 2: General Disclosures 2021	2–1	Organizational details	6, 82
	2–2	Entities included in the organization’s sustainability reporting	2, 109–112
	2–3	Reporting period, frequency and contact point	2
	2–4	Restatements of information	109
	2–5	External assurance	122
	2–6	Activities, value chain and other business relationships	6, 8–12, 13–14, 61–64
	2–7	Employees	98–99, 111
	2–8	Workers who are not employees	98–99, 111
	2–9	Governance structure and composition	2023 Amorepacific Group Business Report p.15–44, 2023 Amorepacific Business Report p.15–28
	2–10	Nomination and selection of the highest governance body	2023 Amorepacific Group Business Report p.292, 2023 Amorepacific Business Report p.267–268
	2–11	Chair of the highest governance body	2023 Amorepacific Group Business Report p.273–280, 2023 Amorepacific Business Report p.244–251
	2–12	Role of the highest governance body in overseeing the management of impacts	2023 Amorepacific Group Business Report p.277–280, 2023 Amorepacific Business Report p.248–251
	2–13	Delegation of responsibility for managing impacts	2023 Amorepacific Group Business Report p.273, 2023 Amorepacific Business Report p.244
	2–14	Role of the highest governance body in sustainability reporting	16, 23
	2–15	Conflicts of interest	16, 23
	2–16	Communication of critical concerns	80

Topic	Disclosure	Report pages	Comments
General Disclosures			
GRI 2: General Disclosures 2021	2–17	Collective knowledge of the highest governance body	81
	2–18	Evaluation of the performance of the highest governance body	2023 Amorepacific Group Business Report p.279–280, 2023 Amorepacific Business Report p.251
	2–19	Remuneration policies	80
	2–20	Process to determine remuneration	80
	2–21	Annual total compensation ratio	2023 Amorepacific Group Business Report p.292–299, 2023 Amorepacific Business Report p.268–279
	2–22	Statement on sustainable development strategy	80
	2–23	Policy commitments	30, 53, 55, 57, 86
	2–24	Embedding policy commitments	30–31, 53–56, 58–60, 82–84
	2–25	Processes to remediate negative impacts	53, 83, 87
	2–26	Mechanisms for seeking advice and raising concerns	53, 87
	2–27	Compliance with laws and regulations	-
	2–28	Membership associations	2023 Amorepacific Group Business Report p.313–316, 2023 Amorepacific Business Report p.293–294
	2–29	Approach to stakeholder engagement	20, 106
	2–30	Collective bargaining agreements	20
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GRI Standards Index

Topic	Disclosure		Report pages	Comments
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	21-27	
	3-2	List of material topics	21-27	
Material Topics 1. Packaging environmental impact				
GRI 3: Material Topics 2021	3-3	Management of material topics	17, 19, 22-25, 27, 46-47	
GRI 301: Materials 2016	301-1	Materials used by weight or volume ¹⁾	46	
	301-2	Recycled input materials used ¹⁾	19, 46	
	301-3	Reclaimed products and their packaging materials	The information is not disclosed to the public based on management’s discretion.	

1) Reported on packaging material which is a material topic

Topic	Disclosure		Report pages	Comments
Material Topics 2. Response to Climate Change and Energy Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	17, 19, 22-23, 26-27, 32-39	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	19, 26-27, 32-39, 91-93, 110	
	302-3	Energy intensity	91-93, 110	
	302-4	Reduction of energy consumption	19, 26-27, 32-39	
GRI 305: Emissions 2016	305-1	Direct greenhouse gas emissions (Scope 1)	39, 91-92, 110	
	305-2	Energy indirect (Scope 2) GHG emissions	39, 91-92, 110	
	305-3	Other indirect greenhouse gas emissions (Scope 3)	39, 91-92, 110	
	305-4	Greenhouse gas emission intensity	91-92, 110	
	305-5	Greenhouse gas emissions reduction	32-39, 91-92, 110	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	96, 110	

SASB Index

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting Metric	Report pages	Description
Water Management	CG-HP- 140a.1	(1) Total water withdrawn	94	Amorepacific Group: 869,224m ³ , Amorepacific: 653,496m ³
		(2) Total water consumption	94	Amorepacific Group: 34,211m ³ , Amorepacific: 34,211m ³
		(3) Percentage of (1) and (2) in regions with high or extremely high baseline water stress	94	The percentage of water intake in areas with a ‘High’ level of water stress or above Amorepacific Group: 26%, Amorepacific: 35% The percentage of water consumption in areas with a ‘High’ level of water stress or above Amorepacific Group: 73%, Amorepacific: 73%
	CG-HP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	43–44	Utilizing the Aqueduct 4.0 Water Risk Atlas Data from WRI, we are identifying the water resource risks in regions where manufacturing sites for cosmetics and household products with high water dependency are located, through physical scenario analysis. Our aim is to manage water resources by reducing the amount of wastewater discharged from major facilities and promoting water recycling. By doing so, we intend to increase water use efficiency and minimize potential risks to the environment surrounding the facilities.
Product Environmental, Health, and Safety Performance	CG-HP- 250a.1	Revenue from products that contain REACH substances of very high concern (SVHC)	-	Amorepacific Group’s quality standards encompass the SVHC (Substances of Very High Concern) list of REACH (EU New Chemicals Control System). All raw materials are utilized only when they meet the internal standards specific to their application. We strictly avoid using substances other than cyclosiloxane (D5, D6), and even for D5 and D6, proper management measures are in place prior to regulatory requirements. Meanwhile, alternative raw materials and formulations are being developed. ↗
	CG-HP- 250a.2	Revenue from products that contain substances on the California DTSC Candidate Chemicals List	-	Only substances and raw materials that meet the criteria for safe cosmetics are selectively chosen and used, adhering to domestic regulations, such as the ‘Chemical Registration and Evaluation Act’ and ‘Chemical Control Act.’ These regulations are equivalent to DTSC’s Candidate Chemical List.1) ↗
	CG-HP- 250a.3	Discussion of process to identify and manage emerging materials and chemicals of concern	40–42	Amorepacific Group adheres to EU REACH and CLP regulations, as well as global regulations specific to each country, including pharmaceutical and food additive regulations, to ensure the exclusion of harmful ingredients. Furthermore, we continue to monitor the results of evaluations by internationally trusted institutions such as CCS, CIR, EFSA, and IARC. The Group operates a process to discern the safe of products by evaluating human and environmental impacts when introducing new substances Also, the MSDS (Material Safety Data Sheet) of all chemicals used by the Group is managed through the Amorepacific Group Chemicals Integrated Management System (AP-CHEMS). ↗
	CG-HP- 250a.4	Revenue from products designed with green chemistry principles	-	Amorepacific Group continuously develops sustainable products manufactured with technologies such as a low energy emulsification process, waste reduction technology (green technology certification), and an eco-friendly solvent application process according to our internal sustainable product standards.
Packaging Lifecycle Management	CG-HP- 410a.1	(1) Total weight of packaging	46	The total weight of plastic packaging materials is 7,303 tonnes.
		(2) Percentage made from recycled and/or renewable materials	46	23.8%
		(3) Percentage that is recyclable, reusable, and/or compostable	19	32.6%
	CG-HP- 410a.2	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	24–25	The 4RReduce, Recycle, Reuse, Return strategies were established for packaging materials to create a plastic circulation model by reducing the use of unnecessary plastic packaging materials, improving recyclability, reusing and returning containers throughout the product’s lifecycle. To implement the strategy, the goal of designing 100% plastic packaging materials to be recyclable, reusable or compostable by 2030, and applying recycled or bioplastics to 30% of plastic packaging materials, was included in the fourth promise of 2030 A MORE Beautiful Promise. Furthermore, brand-level Key Performance Indicators (KPIs) have been established to track the progress, and the environmental impact of packaging materials is closely managed to ensure efficient use of packaging raw materials.
Environmental & Social Impacts of Palm Oil Supply Chain	CG-HP- 430a.1	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance, or (d) Book & Claim	19	Approximately 16,797 tonnes of palm-derived raw materials were sourced in 2023, with a 91.5% ratio of RSPO MB (Mass Balance) certified palm oil.

Activity Indicators

Topic	Code	Accounting Metric	Report pages	Description
Activity	CG-HP- 000.A	Units of products sold, total weight of products sold	-	As Amorepacific Group has a wide variety of product portfolio, information about the unit and total weight of products sold is not disclosed.
Indicators	CG-HP- 000.B	Number of manufacturing facilities	-	6 sites (Amore Beauty Park, Daily Beauty production site, Healthcare production site, Cosvision production site, Osulloc Tea-factory, Shanghai Beauty production plant)

1) The purpose of regulations such as DTSC’s Candidate Chemical List, EU REACH/CLP regulations, and domestic chemical evaluation laws like the Chemical Substance Registration and Evaluation Act, and Chemical Substance Control Act, is the same. They aim to assess and manage chemical substances based on similar risk criteria. Given that the domestic chemical evaluation laws in Korea have benchmarked EU REACH, one of the key standards for DTSC’s Candide Chemical List, we consider the domestic regulations to be equivalent to the DTSC’s Candidate Chemical List.

TCFD Index

TCFD Disclosure

TCFD Recommendations			Report Pages
Governance	a)	The board’s oversight of climate-related risks and opportunities	23, 32
	b)	Management’s role in assessing and managing climate-related risks and opportunities	23, 32
Strategy	a)	The climate-related risks and opportunities the organization has identified over the short, medium, and long term	32, 33, 34
	b)	The impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	34, 35, 36, 37, 38
	c)	The resilience of the organization’s strategy, taking into consideration different climate-related scenarios	34
Risk Management	a)	The organization’s processes for identifying and assessing climate-related risks	38
	b)	The organization’s processes for managing climate-related risks	38
	c)	How processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	38
Metrics and Targets	a)	The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	27, 39
	b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	39
	c)	The targets used by the organization to manage climate-related risks and opportunities and performance against targets	27, 39

UNGC Index

Ten Principles of the UNGC and Amorepacific Group’s Activities

Category			Amorepacific and Amorepacific Group’s Principles and Activities	Reporting Pages and Related Info
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	In 2007, Amorepacific declared its support for the UN Global Compact (UNGC) and respects human rights matters as stipulated in the Universal Declaration of Human Rights and the recommendations of national human rights institutions. In 2018, Amorepacific Group established and announced a human rights policy reflecting its commitment to human rights management and has been expanding the implementation of human rights management throughout its entire value chain.	53–54 ↗
	Principle 2	make sure that they are not complicit in human rights abuses.		
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Amorepacific Group supports the employees’ right to join and leave the labor union and build trust between the management and the employees through communication	52, 54
	Principle 4	the elimination of all forms of forced and compulsory labour;	Amorepacific Group strictly prohibits any form of child labor, involuntary or forced labor and discrimination throughout its entire business process, and conducts annual on-site reviews of the company and its suppliers.	53–54, 55–56, 61–64
	Principle 5	the effective abolition of child labour; and		
	Principle 6	the elimination of discrimination in respect of employment and occupation.		
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;	Amorepacific Group has established environmental policies aimed at minimizing the environmental impact from a holistic corporate activity perspective and contributes to solving environmental problems and achieving a circular economy through its environmental management activities.	17–19, 21–27, 29–47 ↗
	Principle 8	undertake initiatives to promote greater environmental responsibility; and		
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.		
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Amorepacific Group conducts various ethical management practices based on a code of ethics in order to fulfill its social and ethical responsibilities.	86–87 ↗

Greenhouse Gas Verification Opinion

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by Amorepacific (“Company”) group to perform third party verification for the Company’s Greenhouse Gas Inventory Report (“the report”) during the calendar year 2020-2023. The Company is responsible for the preparation of the GHG emissions data on the basis set out within the ‘ISO 14064-1:2018, WRI/WBCSD GHG Protocol:2004’ and ‘2006 IPCC Guidelines for National Greenhouse Gas Inventories.’ Our responsibility in performing this work is to the management of the Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance opinion.



This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the Airport is subsequently brought to our attention.

Objectives and scope of verification

The purpose of this verification is to present an independent verification opinion on the company’s greenhouse gas emissions, and the scope of verification is as follows.

- Organizational Boundary:
 - Amorepacific: HQ, Sale offices, Manufacturing Sites (Beauty 1&3 in Osan, Daejeon, and Ansung), Distribution centers (Gangbuk, Gwangju, Gimcheon, Daejeon, Gimhae, Osan, and Incheon), R&I/HRD, Local Business unit (Gwangju, Daegu, Daejwon, Busan, and Jeju)
 - Innisfree: Head office, Sales stores, Laboratory
 - Cosvision: Daejeon
 - Osulloc Farm: Tea-factory, Hannam, Premium factory, Seokwang factory, Dolsongi factory, Dongilli warehouse, and Wolchulsan factory
 - Amorepacific Shanghai: Plant #1,2,3, D&I center, Office, Distribution center
 - Others in Amorepacific Group: Etude, Amos Professional, Espoir, Osulloc, Amorepacific Foundation, Amorepacific Empathy Foundation, Suh Kyungbae Foundation, BBDO Korea
 - Tata’s Natural Alchemy LLC.: Tata’s Nature Alchemy LLC.: HQ Manufacturing site, Shelburne Distribution Center
- Operational Boundary: Scope 1 (Direct emissions), Scope 2 (Indirect emissions), Scope3 (Other indirect emissions)
- Reporting period:: 2020.01.01 – 2023.12.30

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the ‘ISO 14064-3:2019’, based upon a limited level of assurance. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level, concerning the completeness of the emission inventory as well as the reported emission figures in tonne CO₂ equivalent. As part of the verification process, we have reviewed as follows.

- Process to generate, aggregate, and report the emissions data
- The data and information supporting the report were based on historical in nature. These may include partially hypothetical and projected data and information (refer to the report for details)

Conclusions

Based on the process and procedures conducted, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information.

- DNV presents an ‘Unmodified’ opinion on Greenhouse Gas Emissions
- GHG emission information: Refer to the attachment #1,2

26th April 2024

Jang-Sub Lee
Country Representative
DNV Business Assurance Korea

APPENDIX I. GHG & Energy information (Cert. No.: AS_PRJN-708249_APG_EN)

Year	Organizational Boundary	Greenhouse Gas emissions (tCO ₂ -eq)						Energy consumption (GJ)			
		Scope 1	Scope 2		Scope 3 ⁶⁾	Total (Scope 1,2,3)		Fuel	Electricity	Renewable Energy ¹⁾	Total
			Location based	Market based ⁵⁾		Location based	Market based				
2020	Amorepacific	8,958	33,534	33,534	291,409	333,901	333,901	174,870	260,516	15,881	451,267
	Cosvision	658	2,785	2,785	11,353	14,795	14,795	12,903	21,503	-	34,406
	Osulloc Farm	2,435	1,748	1,748	-	4,183	4,183	36,958	13,496	-	50,454
	Amorepacific Shanghai ²⁾	703	6,620	6,620	-	7,323	7,323	15,758	31,874	221	47,852
	Others in Amorepacific Group ⁴⁾	420	2,037	2,037	-	2,456	2,456	8,271	15,724	-	23,995
	Total	13,174	46,723	46,723	302,762	362,659	362,659	248,758	343,113	16,102	607,974
2021	Amorepacific	8,358	35,236	32,939	297,125	340,720	338,423	163,259	259,189	30,149	452,597
	Cosvision	768	3,306	3,306	15,377	19,451	19,451	15,113	25,906	-	41,019
	Osulloc Farm	1,919	1,745	1,745	-	3,664	3,664	29,257	13,674	-	42,930
	Amorepacific Shanghai ²⁾	1,608	5,987	-	-	7,595	1,608	19,806	-	37,317	57,123
	Others in Amorepacific Group ⁴⁾	328	2,010	2,010	-	2,338	2,338	7,241	15,444	-	22,685
	Tata’s Natural Alchemy, LLC	195	65	65	-	260	260	2,115	953	-	3,068
	Total	13,176	48,349	40,065	312,502	374,028	365,744	236,791	315,166	67,465	619,422
2022	Amorepacific	7,800	32,872	23,402	211,961	252,633	243,163	152,538	183,379	88,791	424,707
	Cosvision	739	3,325	3,325	13,169	17,233	17,233	14,542	26,055	-	40,597
	Innisfree	81	1,251	1,251	423	1,756	1,756	1,554	9,806	-	11,360
	Osulloc Farm	1,953	1,939	1,939	-	3,892	3,892	29,907	15,191	-	45,098
	Amorepacific Shanghai	1,652	4,312	929	-	5,965	2,582	19,447	7,964	29,907	57,318
	Others in Amorepacific Group ⁴⁾	196	1,476	1,476	-	1,672	1,672	3,849	11,568	-	15,417
	Tata’s Natural Alchemy, LLC	158	75	75	-	233	233	1,622	1,101	-	2,723
	Total	12,580	45,251	32,397	225,554	283,384	270,531	223,459	255,064	118,697	597,220
2023	Amorepacific	7,011	31,690	16,906	182,815	221,517	206,732	137,119	132,476	134,124	403,720
	Cosvision	757	3,374	3,043	30,064	34,196	33,865	14,921	23,849	2,592	41,362
	Innisfree	59	1,215	1,215	17,275	18,549	18,549	1,121	9,519	-	10,640
	Osulloc Farm	2,226	1,623	1,623	-	3,849	3,849	33,817	12,719	84	46,620
	Amorepacific Shanghai ³⁾	1,394	3,464	-	-	4,859	1,394	16,077	-	32,471	48,548
	Others in Amorepacific Group ⁴⁾	186	1,524	1,524	-	1,711	1,711	3,657	11,944	-	15,601
	Tata’s Natural Alchemy, LLC	153	82	82	6,511	6,746	6,746	1,870	1,190	-	3,060
	Total	11,786	42,973	24,393	236,666	291,426	272,846	208,582	191,697	169,271	569,549

* The organizational boundary is changed as Osulloc production site was merged from Amorepacific Co., Ltd. to a subsidiary of Amorepacific Group (Osulloc Farm Co., Ltd.) in 2023.

** The emission figure is rounded up.

1) Renewable Energy: Energy generated from Hydroelectricity, Solar photovoltaic & thermal power, Geothermal power, Wind Power, Bio Energy

2) Amorepacific Shanghai (2020–2021): Plant #1,2,3

3) Amorepacific Shanghai (2022~): Head Office, Plant #1,2,3, R&I, Distribution center

4) Others in Amorepacific Group: Etude, Amos Professional, Espoir, Osulloc, Amorepacific Foundation, Amorepacific Empathy Foundation, Suh Kyungbae Foundation, BBDO Korea

5) Market based indirect emissions (Scope 2): The ‘Market-based’ emissions are GHG emissions reflected as Scope 2 by purchasing of a renewable electricity through Green Premium, VPPA, Direct PPA, 3rd party PPA, I-REC

6) Scope 3 covers Purchased goods & services, Capital goods, Fuel- and energy-related activities, Upstream transportation and distribution, Waste generated in operations, Business travel, Employee commuting, Upstream transportation and distribution, End-of-life treatment of sold products, Downstream leased assets

APPENDIX II. Scope 3 emission information (Cert. No.: AS_PRJN-708249_APG_EN)

(Unit: tCO₂-eq)

Category	Scope 3	2023				
		Amorepacific	Cosvision	Innisfree	Tata’s Natural Alchemy, LLC	Total
1	Purchased goods & services	142,984	26,853	15,527	3,436	188,800
2	Capital goods	10,501	-	3	-	10,504
3	Fuel- and energy-related activities	760	76	6	35	877
4	Upstream transportation and distribution	3,182	576	276	544	4,578
5	Waste generated in operations	1,456	31	233	5	1,725
6	Business travel	2,122	14	160	324	2,621
7	Employee commuting	2,386	32	73	107	2,598
9	Downstream transportation and distribution	5,227	-	776	2,043	8,046
12	End-of-life treatment of sold products	8,792	2,482	221	17	11,512
13	Downstream leased assets	5,406	-	-	-	5,406
Total		182,815	30,064	17,275	6,511	236,666

Category 11 (Use of sold products) in Amorepacific Scope 3 emissions

Category	Scope 3	2023				
		Amorepacific	Cosvision	Innisfree	Tata’s Natural Alchemy, LLC	Total
11	Use of sold products	299,300	9,425	12,639	227	321,591

* No greenhouse gas emissions are generated from direct use of Amorepacific products, but indirect emissions from water use with products are optionally calculated.


** The emission figure is rounded up.

Independent Assurance Report on the Identified Sustainability Information in Amorepacific Group's Sustainability Report

(English Translation of a Report Originally Issued in Korean)

To the Management of Amorepacific Group
We have undertaken a limited assurance engagement in respect of the selected sustainability information (the ‘Identified Sustainability Information’) in the Amorepacific Group’s Sustainability Report for the year ended 31 December 2023 (‘Sustainability Report’ or the Report) listed below.
Identified Sustainability Information
The Identified Sustainability Information included in the Amorepacific Group’s Report for the year ended 31 December 2023 is summarized below:
<ul style="list-style-type: none">· ‘Global Reporting Initiative (GRI) Standards Index’ stated on pages 114–115· ‘Sustainability Accounting Standards Board(SASB) Index’ stated on page 116· ‘ESG Data’ within the ‘ESG Factbook’ heading on pages 91–108
Our assurance was with respect to the year ended 31 December 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Report and, therefore, do not express any conclusion thereon.
Criteria
The Criteria used by Amorepacific Group to prepare the Identified Sustainability Information are ‘GRI Standards’ and ‘Household & Personal Products Sustainability Accounting Standard <i>SASB</i> ’ (the ‘Criteria’).
Amorepacific Group’s Responsibility for the Identified Sustainability Information
Amorepacific Group is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.
Inherent Limitations
The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.
Our Independence and Quality Control
We have complied with the ethical requirements of the Republic of Korea,

which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies International Standards on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.
Our Responsibility
Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.
A limited assurance engagement involves assessing the suitability in the circumstances of Amorepacific Group’s use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.
The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, review of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.
Given the circumstances of the engagement, in performing the procedures listed above we:
<ul style="list-style-type: none">· Interview with the personnel responsible for internal reporting and data collection regarding Amorepacific Group's Identified Sustainability Information to understand their approaches to manage material issues· Understand the systems and processes in place for managing and reporting the Identified Sustainability Information

<ul style="list-style-type: none">· Review documents relevant to the risk assessment process, sustainability-related policies and standards, materiality assessment, engagement activities of the stakeholders and others· Perform inquiries and analytical reviews on the Identified Sustainability Information
The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Amorepacific Group’s Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.
Limited Assurance Conclusion
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Amorepacific Group’s Identified Sustainability Information the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the Criteria.
Restricted Use
This Report is prepared solely for the management of Amorepacific Group to assist in obtaining understanding of Amorepacific Group’s sustainable management performance and activities. Accordingly, we accept no liability or responsibility to any third party, other than Amorepacific Group and its management, who gains access to this report.
Seoul, Korea Hoonsoo Yoon, Chief Executive Officer

4 June 2024

This report is effective as of 4 June, 2024, the report date. Certain subsequent events or circumstances, which may occur between the report date and the time of reading this report, could have a material impact on the Report on the Identified Sustainability Information. Accordingly, the readers of the report should understand that there is a possibility that the above report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

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