

사람의 희망이다

2025 Yuhan-Kimberly
21st Sustainability Report



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Reporting Principles

Reporting in accordance with GRI (Global Reporting Initiative) Standards 2021 and reflecting UN SDGs (UN Sustainable Development Goals), TCFD (Task Force on Climate-related Financial Disclosures), SASB (Sustainability Accounting Standards Board), the 10 Principles of the UN Global Compact and other global standards and initiative indicators

Reporting Boundary

The reporting scope includes Yuhan-Kimberly’s headquarters, the Kimcheon, Taejon, and Choongju Plant, and the Seocho Research Center. As Yuhan-Kimberly has no subsidiaries subject to consolidation under its audited financial statements, financial performance is reported on a separate (non-consolidated) basis, while the scope of non-financial performance matches that of financial performance. Any differences in reporting scope are indicated separately.

Reporting Period

January 1, 2025 through December 31, 2025 (including the first half of 2026 for some non-financial performance data, in consideration of timeliness and materiality: for quantitative performance, data for three or more years are provided to allow year-on-year trends to be observed).

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Message from CEO

We are entering a new phase of growth, guided by a consumer-centric approach.



Yuhan-Kimberly marks its 56th anniversary this year. In a world where unpredictable change—from AI to armed conflict—has become the new normal, we have revisited our reason for being and our role in society. Grounded in deep consumer insight and innovative capabilities, Yuhan-Kimberly has worked to improve the quality of life for people, promote healthy living, and lead the advancement of everyday life culture. We have also strived to contribute to social progress by fulfilling our responsibilities as a corporate citizen through our business. Pursuing harmonious growth—for the company, society, and the environment alike—remains a formidable challenge, one that demands bold innovation. Yet Yuhan-Kimberly remains committed to this challenge. We believe the key lies in seeing the world through the eyes of consumers and acting with their best interests at heart. Since our products are an essential part of everyday life, every stakeholder is also a consumer. This is why we place consumers at the center of everything we do.

Economic, Social and Environmental Performance in 2025

On the economic front, we faced a challenging environment marked by inflation, deepening consumption polarization, and intensifying price competition driven by the accelerating shift to e-commerce channels. The continued decline in the number of children under the age of 36 months, alongside a shrinking population of women of childbearing age, further reduced demand in both the baby care and feminine care markets. Growing global uncertainty drove up raw material, energy, and logistics costs, and these pressures, coupled with a sharp surge in the dollar exchange rate, posed significant challenges for both growth and profitability. Despite these headwinds, our export business grew 13.3% year-on-year, and the Baby & Child Care Business Function—our core domestic unit—achieved 6.6% growth, driven by an increase in newborn numbers and product innovation, demonstrating strong growth potential. Overall, sales increased by 1.6% year-on-year, supported by the expansion of the Senior Aging Care business and strong demand for seasonal summer products. We also launched a company-wide manufacturing competitiveness initiative, laying the foundation for future manufacturing cost innovation.

On the social and environmental front, our B2B Sales Function’s BI:CYCLE campaign(hand towel resource-circulation campaign) reduced cumulative GHG emissions by more than 695 tons. The Keep Korea Green campaign, now in its 41st year, has planted and nurtured over 58.14 million trees. Kimcheon and Taejon Plant maintained their FSC® CoC certification, reinforcing sustainable sourcing practices, and sustainable products accounted for 63% of sales in 2025. Throughout 2025, we donated approximately 2.1 million products to vulnerable communities, bringing the cumulative total to around 29.95 million products. Goodfeel’s Cheer Up, Daughters campaign, which promotes menstrual equity for economically disadvantaged women, entered its 10th year, and Huggies’ ultrasmall diapers surpassed 6.6 million cumulative pad donations. Notably, the BI:CYCLE hand towel resource-circulation campaign received a Presidential Citation in recognition of its contributions to carbon-neutral lifestyles as part of the Government Awards for Excellence in Eco-friendly Technology Promotion and Green Consumption, organized by the Ministry of Climate, Energy and Environment.

Sustainability Challenges for 2026

We expect uncertainty in both the domestic and global business environment to intensify in 2026, driven by factors including armed conflict. Yet even in times of crisis, opportunities emerge. In 2026, an increase in the number of newborns is expected to expand the population of children under 36 months, creating additional growth opportunities for our Baby & Child Care Business Function. We are preparing for an even greater leap forward based on continuous product improvement and new product launches by our core business functions. Under our 2026 management slogan, “From Transition to a Leap Forward,” we will focus on leveraging our competitive advantages to drive growth, fostering fresh perspectives and innovative ways of working, and enhancing cost and quality competitiveness through company-wide productivity improvements. Yuhan-Kimberly’s products and services are used every day by people across Korea, from infants to seniors. Guided by the eyes and hearts of our stakeholders, we will continue to pursue harmonious growth across economic, social, and environmental dimensions.

Going forward, Yuhan-Kimberly will continue to listen to our stakeholders and fulfill our commitment to sustainable growth and social responsibility.

Thank you.

June 2026
CEO and President of Yuhan-Kimberly

이제훈

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Yuhan-Kimberly’s Redistribution of Value

Sustainable Management Value Chain

Yuhan-Kimberly shares the value created through its business activities with stakeholders throughout the entire value chain, including suppliers. Guided by three principles—economic profitability, social responsibility, and environmental sustainability—we annually disclose how value is created and distributed among stakeholders at each stage of the value chain, from raw material sourcing to product disposal and recycling, through our Sustainability Report.

2025 Sales

KRW 1,402.8 billion

1 Suppliers

Cost to purchase goods and services: KRW 943.5 billion

2 Employees

Salaries and benefits: KRW 233.4 billion

3 Shareholders

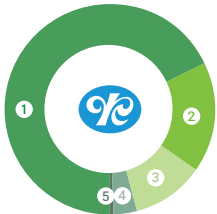
Dividends: KRW 155.0 billion

4 Government

Corporate taxes and other taxes: KRW 53.3 billion

5 Community

Social contribution expenses: KRW 4.9 billion



Economic Value

- Facilities investment: KRW41.7 billion

Social Value

- GMP certification obtained for feminine care quasi-drug products
- Maintained family-friendly management certification
- Product safety incidents: 0

Environmental Value

- Water recycling rate: 27.6%
- Plant waste recycling rate: 99.2%
- Environmental operation cost: KRW24.79 billion
- Kimcheon and Taejon Plant FSC® CoC certification
- GHG emissions: 202,680 tCO₂e

Economic Value

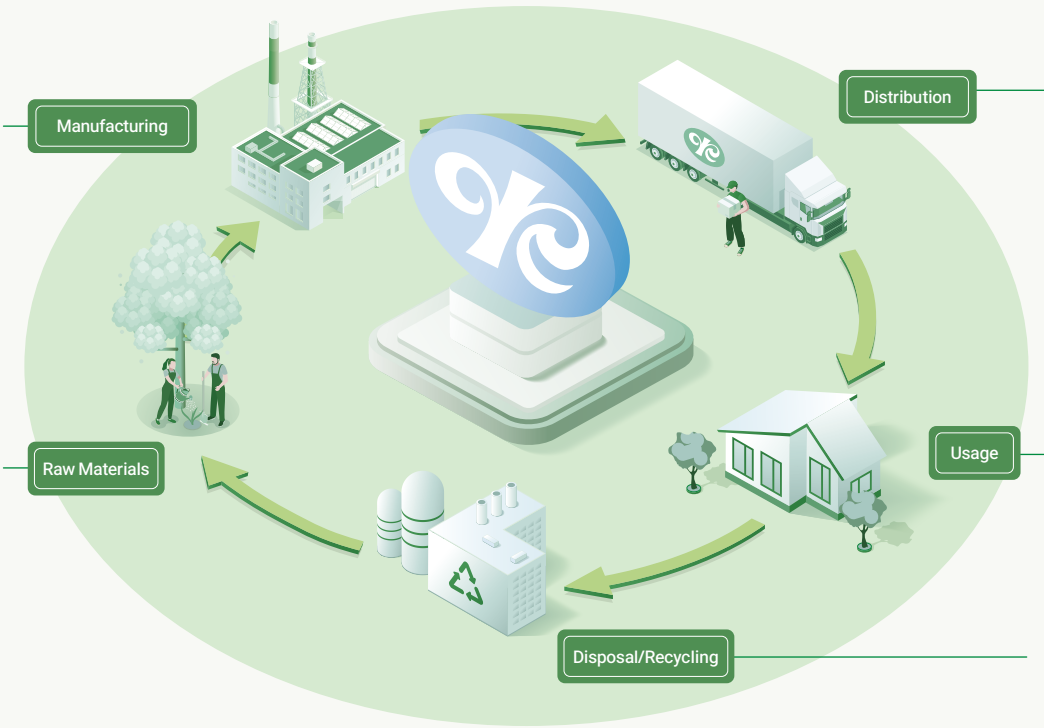
- Cost to purchase raw materials: KRW359.1 billion

Social Value

- Suppliers Assessment Tool (SAT) – Social Responsibility Score: 91
- Recognized as an excellent company in the Win-Win Growth Index
- Number of suppliers with agreements on fair trade and win-win growth: 61 companies
- Mutual growth support: KRW17.0 billion
- Number of substances of safety concern subject to restriction: 190

Environmental Value

- Sustainable pulp (FSC® certified, etc.) purchased: 170,238.2 tons
- Percentage of recycled paper used as a raw material for sanitary paper products: 17.5%



Economic Value

- Transportation cost: KRW 44.1 billion

Social Value

- Cumulative members on our platform (momQ and Daldabang): 2.62 million

Social Value

- Consumer satisfaction index after consultation: 96.5 points
- Consumer education (cumulative): 20,126,761 consumers
- Keep Korea Green campaign (cumulative) 58,144,473 trees
- Scholarship program for female NGO activists (cumulative): 1,274 recipients
- Product donations to vulnerable populations
- Kleenex Happy Clean campaign hygiene kit donations (cumulative): 15,575 boxes
- Huggies diaper donations (cumulative): 13,646,980 pads
- Goodfeel’s Cheer Up, Daughters sanitary pad donations: 12,709,797 pads

Environmental Value

- Number of Env. certified products¹⁾: 50
- Sustainable product sales ratio²⁾: 63%³⁾

Economic Value

- Costs of waste charge and EPR: KRW 8.71 billion

Social Value

- Number of companies participating in the BI:CYCLE hand towel resource-circulation campaign (cumulative): 35 companies

Environmental Value

- BI:CYCLE campaign
- Hand towel recycling volume (cumulative): 456.5 tons
- GHG reduction (cumulative): 695,413 kgCO₂eq

1) Products with government certification Eco-Label, Low-Carbon Product certification, etc, low-carbon certification, etc.)

2) Products meeting Yuhan-Kimberly’s own sustainable product criteria for environmental and social improvement

3) Total sales are based on the domestic market and exclude agency products, as well as B2B hospital products and safety products subject to regulatory requirements.

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Sustainability Management Framework

Sustainable Management Governance

To ensure systematic ESG management and proactive risk response, Yuhan-Kimberly operates a company-wide ESG management system centered on the ESG Committee, which reports directly to the CEO and regularly briefs the Board of Directors (BOD) on key agenda items. In 2025, the Committee reported to the Board three times, covering the annual safety and health action plan, ESG governance highlights, and environmental and social performance. We also continuously track progress against our 2030 Sustainability Initiative targets and conduct annual ESG self-assessments to identify key risks and improvement areas, which are then reflected in the following year's plans. Through this ongoing cycle of diagnosis and improvement, we are continually strengthening our ESG capabilities. In 2026, we plan to further reinforce them through a Korea Sustainability Standards Board (KSSB) assessment.

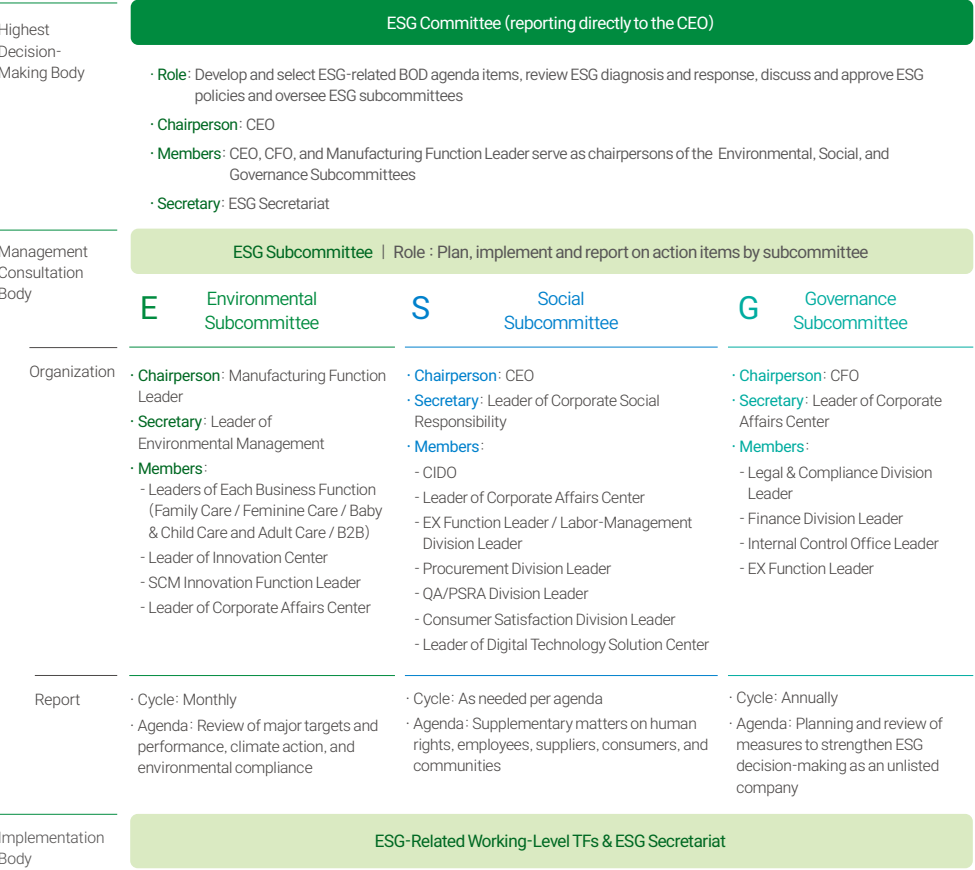
Composition and Activities of ESG Committee

To drive the strategic execution of sustainable management, Yuhan-Kimberly has established a systematic operating structure that connects ESG decision-making to field-level implementation. The ESG Committee, the highest decision-making body chaired by the CEO, deliberates on and approves key agenda items, while the Environmental, Social, and Governance Subcommittees plan and report on implementation tasks in their respective areas. ESG-related working-level task forces and the secretariat serve as the implementation body, executing these tasks at the operational level. In 2025, we revised the ESG Committee's operating rules to strengthen decision-making standards, requiring the attendance of at least two-thirds of registered members and unanimous approval for key agenda items. In addition, we reviewed our climate risk scenario analysis results and discussed the direction for a company-wide GHG reduction strategy for 2026, to stay ahead of the financial impact of tightening climate regulations.

2025 Annual ESG Management Implementation



Organization of ESG Committee



Key Agenda Items Discussed by Subcommittee in 2025

Environmental Subcommittee Meetings held: 10 times - Reviewed Sustainability KPIs - Reviewed action programs for reducing carbon, plastic, forest, and water footprints - Reviewed ETS compliance and surplus emissions management plans - Discussed the status of feasibility reviews for renewable energy adoption and future plans - Reviewed mid-term KPIs and action plans for achieving the 2030 sustainability impact reduction targets - Discussed key results of ISO 14001 surveillance and renewal audits	Social Subcommittee Meetings held: 1 time Personal data protection
	Governance Subcommittee Meetings held: 1 time Continued monitoring of ESG diagnosis results and follow-up actions, and review of KSSB sustainability disclosure preparation tasks

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Sustainability Management Framework

Sustainable Management Governance

CEO Sustainability Performance and Goals for 2025

Yuhan-Kimberly integrates economic, social, and environmental sustainability goals into the CEO’s annual performance objectives, managing sustainability as a company-wide priority. In 2025, we focused on driving business growth while reducing our environmental impact, exceeding our annual targets for product innovation and GHG emissions reduction. In 2026, we plan to further align financial performance with our sustainability goals, strengthening both business competitiveness and the capacity to reduce environmental impact.

2025 Sustainability Performance and 2026 Goals

● Goal exceeded ● Goal met ● Effort required

Classification	2025 Goals	2025 Performance	Achievement	2026 Goals
Economic	Grow revenue and profit by delivering on financial goals	· Total revenue¹⁾ grew 1.6% in 2025 · Baby & child care and adult care products ▲, feminine care products ▼, family care products ▼, B2B ▲, exports ▲	●	· Grow revenue and profit by delivering on financial goals · Launch bold and pioneering innovations in a timely manner · Strengthen the standing of core brands
	Improve year-on-year market share in major businesses	· Baby & child care products ▲, feminine care products ▼, family care products ▲▼▼²⁾, aging care products ▲	●	
	Execute bold and pioneering innovations	· Successfully launched major new products (Huggies Skin Essential, White Stay Cool, etc.) · Expanded new product sales ratio (14% of total sales, a 5% increase from the previous year)	●	
Social	Build teamwork among highly engaged employees by strengthening organizational culture	· Ranked in the overall top 6 of Korea’s Most Admired Companies for 22 consecutive years · Received Presidential Citations for contributions to hand towel resource circulation and GHG reduction · Ranked 1st in the household goods sector of the Korea Sustainability Index (KSI) · My Voice +400bps	●	· Realize the ‘Better Care for a Better World’ vision through world-class talent recruiting and capability building
Environmental	Reduce plastic use by 4,800 tons compared to 2019	· Reduced by 4,870 tons	●	· Reduce plastic use by 5,000 tons compared to 2019 · Reduce GHG emissions by 13.2% compared to 2015 (rationale: accounting for increased emissions due to the restart of Kimcheon TM7)
	Reduce GHG emissions by 14.5% compared to 2015	· Reduced by 14.9%	●	

1) Total revenue is based on the domestic market and excludes products sold through sales agents, as well as B2B hospital supplies and safety products subject to safety regulations.
2) In order, this refers to an increase in market share for toilet paper, a decrease for facial tissues, and a decrease for kitchen towels.

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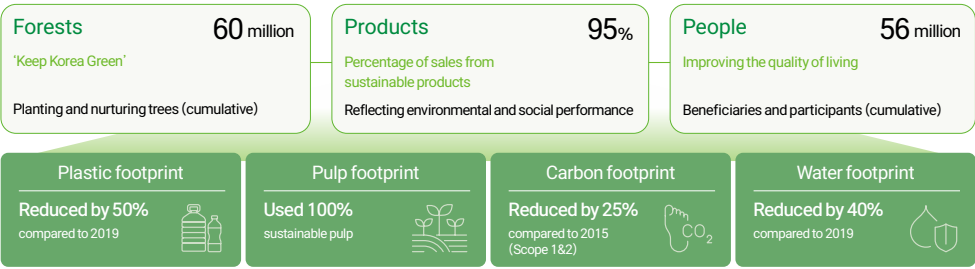
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Sustainability Management Framework

2030 Sustainability Goals and 2025 Performance

Yuhan-Kimberly has established its 2030 Sustainability Initiative around three core pillars—forests, products, and people—organized into four product-linked subcategories, and tracks annual performance against targets in each area. In 2025, we continued to make progress toward our 2030 goals, exceeding annual targets in the forests and people pillars as well as in the carbon footprint category.

2030 Sustainability Initiative, Goals and 2025 Performance¹⁾



Areas	Summary of Major Performance in 2025	2025 Achievements	2026 Goals	2030 Goals
Forests	· Conducted field discussions on ecological restoration of domestic wildfire-damaged areas and monitored ecosystem changes · Carried out ecosystem restoration activities through cross-company collaboration	541,434 trees (cumulative 58.14 million trees)	450,000 trees	60 million trees (cumulative)
People	· Conducted the "Wholesome Family" campaign to improve awareness of non-marital births · Strengthened social impact through cross-company collaboration	4,909,930 (cumulative 48.03 million)	4.2 million	56 million
Products	· Collaborated through the Green Action Alliance for the development and application of sustainable materials · Completed application of recycled plastics to 40% of the total petroleum-based packaging materials (films and containers) used for B2C products	63%	65%	95% ²⁾
Plastic footprint	· Strengthened environmental review of product design · Expanded the use of recycled plastics in packaging · Adopted biomass-derived materials	Plastic use reduction: 4.9K tons	5.0K tons	14.5K tons
		Percentage of recycled plastics in packaging: 40%	40%	50%
Pulp footprint	· Used certified pulp from planned forests · Applied sustainable materials including recycled fiber, and maintained FSC® CoC certification at Taejon and Kimcheon Plant	Sustainable pulp ³⁾ usage: 100%	100% ⁴⁾	100%
Carbon footprint	· Reduced GHG emissions through energy efficiency improvements	14.9%	13.2% ⁶⁾	25.0% ⁷⁾
Water footprint	· Operated a water reduction TF	2.0%	2.0%	40.0%

1) Higher is better: products, plastic use, recycled plastics / Lower is better: pulp, carbon, water
2) Since 2024, total revenue has been based on the domestic market, excluding products sold through sales agents, as well as B2B hospital supplies and safety products subject to safety regulations.
3) Plastic footprint goal: The base year is 2019, in line with our shareholder Kimberly-Clark.
4) The target for reducing northern boreal (NBSK) pulp usage was achieved ahead of schedule in 2024. From 2026, the goal is to achieve 100% use of sustainable pulp (FSC-certified and recycled fiber).
5) Sustainable pulp: Refers to FSC and PEFC certified pulp sourced from overseas forest certification agencies, domestic and imported recycled fiber, and alternative pulp such as bamboo.
6) The 2026 target reflects an increase from 2025 due to the restart of Kimcheon TM7.
7) Carbon footprint goal: The goals are related to GHG Scope 1 & 2 and the base year is 2015, in line with our shareholder Kimberly-Clark.

Forests

To conserve forest ecosystems and restore a healthy natural environment, Yuhan-Kimberly has run the Keep Korea Green campaign since 1984. Its goal is to plant and nurture trees with diverse stakeholders—including citizens, government bodies, and forest environmental organizations—and enable more people to directly experience forests and appreciate their value. By 2025, we had planted and nurtured a cumulative total of approximately 58.14 million trees, reaching 97% of our 2030 target of 60 million, and plan to plant more than 450,000 additional trees each year through 2030 to achieve the goal.

Products

Yuhan-Kimberly defines sustainable products as those that minimize environmental impact while creating social value, and we are continuously expanding their share of our portfolio. Environmental criteria include reducing the use of virgin plastics in raw materials and packaging, reducing carbon footprint, and obtaining Ministry of Environment certifications. Social criteria are based primarily on alignment with the UN Sustainable Development Goals (SDGs). Sustainable products accounted for 63% of sales in 2025, and we are targeting 65% by 2026 and 95% by 2030 as we expand their presence in everyday life.

People

Yuhan-Kimberly continuously carries out company-wide social contribution activities to support vulnerable groups and foster shared growth with our local communities, while also pursuing brand-level social impact activities, including consumer education, product donations, and the development of universally accessible products. As of the end of 2025, we had helped improve the quality of life for a cumulative total of approximately 48.03 million beneficiaries and participants, and we are working to expand that impact to a cumulative 56 million people by 2030.

Criteria for Sustainable Products¹⁾ and Contribution Areas

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

1) Total revenue is based on the domestic market and excludes products sold through sales agents, as well as B2B hospital supplies and safety products subject to safety regulations.
2) Products that meet quantitative goals as of 2019 are referred to as sustainable products.

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Stakeholder Communication Channels

Yuhan-Kimberly engages with stakeholders in various ways to understand their needs and expectations and reflect them in our business activities and decision-making. We define our key stakeholders as shareholders, consumers, partners, employees, local communities, and government. The feedback we gather is incorporated into how we formulate and execute management strategies, leading to more effective decision-making and more sustainable outcomes. We will continue to strengthen collaboration with stakeholders across all areas of our business and maintain open communication channels.

Stakeholders	○ : Frequency of communication				
	Consumers 	Partners 	Shareholders 	Employees 	Local Communities / Government 
Key Communication Channels	· Yuhan-Kimberly's website/social media (year-round) · Brand-specific websites/social media/advertising campaigns (year-round) · Customer satisfaction center (text, chat, chatbot, phone, email) (year-round) · Consumer-Oriented Management Committee (twice a year) · Direct sales platforms ('momQ', brand stores, 'Daldabang') (year-round) · Consumer education ('We have menstruation') (year-round) · Consumer surveys (year-round) · Stakeholder survey/Sustainability Report (annually) · Customer satisfaction survey (year-round)	· Shared growth website (year-round) · Portal for suppliers (year-round) · Information sharing system for shared growth (year-round) · Report, suggestion and mentoring for partners (year-round) · Agreement on fair trade and mutual growth (annually) · Shared growth academy (4 times a year) · Sustainability Report/Stakeholder survey (annually) · Mutual growth newsletter (annually)	· Annual general meeting (annually) · Board of Directors' meetings (3 times a year annually) · Business report (annually) · Town hall meetings (twice a year) · Website/email letters	· Intranet, suggestion system, Sinmungo (year-round annually) · Open management meetings (1st and 2nd half) (annually) · Regular employee engagement survey (My Voice) (annually) · Labor-Management Council/meetings/ labor-management workshops (4 times a year) · Occupational Safety and Hygiene Committee (4 times a year) · Inclusion and Diversity Council (twice a year) · Women's network (K-WIN) (annually) · Ethical Management Committee, Internal Control Committee (twice a year) · Sustainability Report/Stakeholder survey (annually)	· Yuhan-Kimberly's website/social media (year-round) · Stakeholders Committee (annually) · Regular consultation body at Korea Consumer Agency (hygiene products, cosmetics) (4 times a year) · Government policy engagement (year-round) · Engaging with NGOs (year-round) · Sustainability Report/Stakeholder survey (annually) · Voluntary services in local communities (4 times a year)
	· Product safety and quality assurance · Enhancing consumer relations, trust and transparency (product information) · Promptly handling consumer complaints and inquiries · Information security and personal data protection	· Maintaining fair and transparent business relationships · Supporting mutual growth programs and capability development · Assessing and supporting supply chain ESG performance	· Ensuring stable business operations and enhancing long-term corporate value (business innovation and growth) · Managing financial and non-financial risks and opportunities	· Providing a safe working environment · Attracting and developing talent · Administering fair evaluation, compensation and benefits · Expanding labor-management communication and participation in management · Ethical and transparent management and compliance with the Code of Conduct · Work-life balance	· Complying with environmental regulations · Contributing to local communities (environmental protection) and supporting vulnerable groups · Collaborating and communicating with NGOs and civil society on social issues · Proactively responding to tightening environmental regulations

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Stakeholder Communication Channels

22nd Stakeholders Committee

Yuhan-Kimberly held its 22nd Stakeholders Committee meeting on December 11, 2025. At a time of profound transition—shaped by the mainstreaming of AI technology and the rise of a generation of self-directed consumers—four experts in brand strategy, consumer data, MZ trends and consumer experience (CX) joined company executives for an in-depth discussion on the theme of “What should sustainable companies and brands aim for in terms of social impact?” Key takeaways from the discussion will be reflected in Yuhan-Kimberly’s brand and sustainability strategies.

Agenda 1



The need to rethink the standards for designing consumer experience in an era of AI and technological transformation

Agenda 2



Connecting sustainability and brand heritage to quality of life

“
AI is a means of building trust rather than a tool for efficiency, and there is a call for the design of consumer experiences that put people at the center

Seung Yun Lee
Professor of Business Administration, Konkuk University

In an era of AI transition, the important question is not whether to adopt AI. It is about what kind of experience AI will deliver, and how clearly the brand’s attitude and philosophy come through in that experience. The more prominently technology is foregrounded, the more distant consumers feel—and brand trust is strengthened when AI operates quietly within a structure where people remain at the center. This standard is even more stringent for products like diapers and sanitary pads that come into direct contact with consumers’ bodies and hygiene. A single inaccurate experience can extend beyond the product itself to become a matter of trust in the entire brand. Yuhan-Kimberly needs to exercise strategic judgment in leveraging AI appropriately on the foundation of trust it has built. Going forward, the key challenge will be reinterpreting the people-centered philosophy of the Keep Korea Green campaign for the digital age.

“
Decades of accumulated heritage should serve not as a record of the past but as a standard for future decision-making and a benchmark of trust across the entire customer journey

HyunAm Shin
CEO of Factory8 Research Institute

A company’s heritage—built on consistent values maintained long before ESG became a common term—is a strategic asset that short-term results cannot replace. Yuhan-Kimberly’s accumulated sustainability initiatives have functioned not as campaigns but as a standard for decision-making, making them a differentiating factor that competitors cannot replicate. It is important to activate this heritage as a benchmark of consumer trust at every touchpoint—awareness, consideration, purchase and sharing. At the same time, the stronger the brand, the more critical it is to identify early-stage new players emerging not from within the same industry but from entirely different directions. As the Netflix and Blockbuster case illustrates, the ability to redefine competitors from a consumer experience perspective is what distinguishes enduring companies.

“
Eco-friendliness has become the default in consumption, calling for a communication strategy that permeates consumers’ everyday lives through sensibility

Tae Young Jung
Head of ESG & Earth, Musinsa

For today’s generation, eco-friendliness and sustainability are not special reasons to buy—they are a baseline expectation. It is not “I’m buying this because it’s eco-friendly,” but rather “this fits my lifestyle, and it happens to be eco-friendly.” Carbon reduction figures alone do not drive purchasing decisions. The response changes when sustainability is added naturally after quality and experience have been fully communicated. Yuhan-Kimberly already has quality trust and brand equity in place. The challenge now is how to build on that foundation with a sensibility that consumers can intuitively feel. Yuhan-Kimberly needs to design touchpoints in personalized language—“my choices create change”—so that consumers see themselves as the protagonists of the brand story.

“
Yuhan-Kimberly needs to design experiences of participation and connection into everyday touchpoints, so that sustainability becomes not a corporate narrative but the consumer’s own story

Hyun Young Park
Director of the Life Change Observatory

For sustainability initiatives to reach consumers, they must be directly connected to the industry, the product and the act of consumption itself. Consumers take interest in what they have a hand in, and they want to know how their choices translate into change. Simply adding small participatory elements to the many consumer touchpoints Yuhan-Kimberly already has can create the experience of “I contributed to this change.” “Peace of mind,” “convenience,” “less discomfort”—these experiences, through which Yuhan-Kimberly products are already transforming consumers’ daily lives, are themselves a form of social value. Just as a hundred imperfect but engaged individuals create greater impact than one perfect environmentalist, shifting the subject of the narrative from the company to the consumer—“I”—turns the experience from a corporate story into the consumer’s own.

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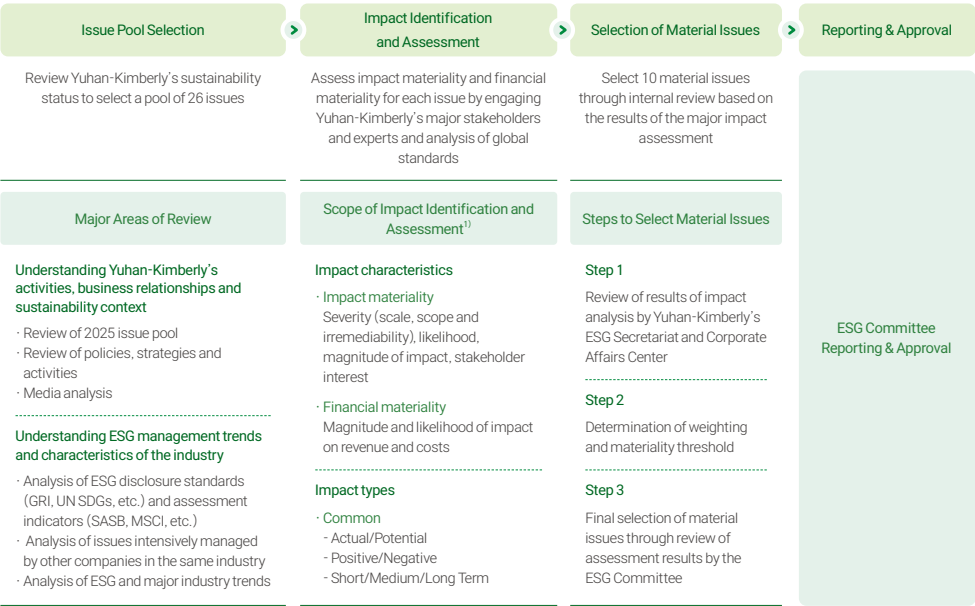
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Double Materiality Assessment

Double Materiality Assessment

Yuhan-Kimberly conducts an annual double materiality assessment to systematically manage risks and opportunities related to sustainable management and integrate them into its business strategies. Material issues are identified by considering both impact and financial perspectives, and their importance is quantitatively analyzed based on stakeholder feedback, expert assessments and global standards. The material issues identified are finalized through review and approval by the ESG Committee, and the selected material issues along with related response activities and performance are disclosed through the Sustainability Report.

2026 Double Materiality Assessment Process

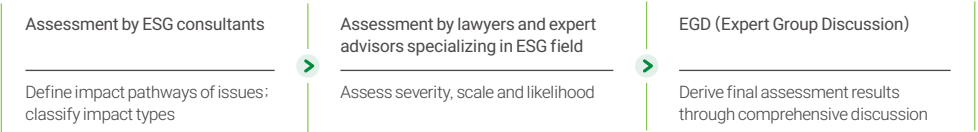


Expert Assessment

Yuhan-Kimberly operates an expert assessment process involving ESG consultants, lawyers and external expert advisors to objectively and consistently assess the impact and financial materiality of each issue. The experts assess the materiality of each issue based on predefined criteria and quantitative scales, drawing on the company's internal conditions—such as the history of relevant issues and response activities—as well as international guidelines and relevant legal frameworks. The final assessment results are then derived through discussions among the experts and reflected in the materiality matrix and issue prioritization.

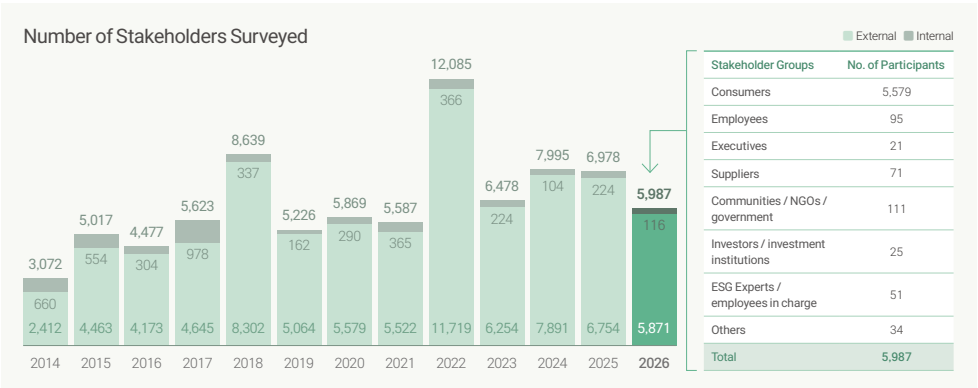
1) Scope of assessment during stakeholder surveys and expert assessments

Expert Assessment Phase



Feedback from Stakeholders

Yuhan-Kimberly conducts annual surveys of key stakeholder groups to systematically identify their perceptions of material issues and their impacts. In 2026, the survey was conducted via the company's website from February 4 to February 15, targeting employees, consumers, partners, local communities/NGOs/government, ESG consultants/personnel, investment institutions and company executives, with a total of 5,987 participants. The feedback is reflected in the assessment of impact materiality and financial materiality and serves as a key basis for selecting material issues.



Selection of Top 10 Material Issues

In the 2026 materiality assessment, product safety & quality, packaging & plastics, and consumer hygiene & health were selected as the top three material issues, unchanged from the previous year. Resource circulation & waste and ethical & compliance management rose in ranking compared to the previous year, while energy management was added as a new material issue. As product- and consumer-related issues continue to maintain high importance, GHG management, which had been a material issue the previous year, was removed from the environmental category. In its place, a broader range of environmental management issues—including resource circulation, hazardous chemicals and energy—gained recognition. The ESG Committee reviewed and approved the material issues identified in 2026.

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Double Materiality Assessment

Key Changes in Material Issues in 2026

Material Issues Unchanged (2024 – 2026)

- Product safety & quality, consumer hygiene & health**
Given the industry's focus on hygiene products that come into direct contact with the skin, consumers continue to hold high expectations for product safety and hygiene standards.
- Sustainable products & technology, packaging & plastics, resource circulation & waste**
Strengthening of strategic management activities for eco-friendly product development, packaging improvement and expanded resource circulation, along with the growing trend of responsible consumption.

Consumer relations, trust & transparency
As demand for transparent disclosure of product and service information and for the incorporation of consumer feedback continues to grow, securing consumer trust is becoming increasingly important.

Ethical & compliance management
As compliance with regulations and fulfillment of ethical responsibilities emerge as key factors affecting corporate trust and reputation, the need for proactive management is expanding.

New Material Issue

As industrial electricity rates and other energy costs continue to rise, energy efficiency management has emerged as a key issue for reducing the cost burden on companies. The rise in energy consumption and energy intensity has also heightened the importance of managing environmental impact, contributing to its selection as a new material issue in 2026.

2026 Double Materiality Assessment Matrix

Legend: ● Environmental ● Social ● Governance/Economic Sector

Issue	Sector	Impact Materiality (X)	Financial Materiality (Y)
Packaging & plastics	Environmental	65	95
Product safety & quality	Social	75	95
Responsible sourcing and supply chain risk management	Social	35	75
Hazardous chemicals management	Environmental	45	70
Employee safety & health	Social	35	65
Information security & privacy	Social	45	60
Sustainable products & technology	Environmental	65	65
Consumer relations, trust & transparency	Social	75	70
Consumer hygiene & health	Social	85	65
Resource circulation & waste	Environmental	80	60
Mutual growth with partners	Social	25	45
Stakeholder engagement & communication	Social	15	40
Integrated risk management system	Social	15	30
Governance	Social	15	25
Water resource management	Environmental	35	35
Women's empowerment	Social	35	30
Diversity & inclusion	Social	40	25
Talent acquisition & development	Social	45	45
Biodiversity and forest protection	Environmental	45	40
GHG management	Environmental	55	45
Ethical & compliance management	Social	60	45
Social contribution/social impact	Social	55	25
Labor-management relations	Social	35	15
Human rights management	Social	35	10

Major Impacts of Top 10 Material Issues and Assessment Results in 2026

Top 10 Material Issues		Perspective	Key Impacts	Impact Type		Impact Level	Ranking in Previous Year
Ranking	Issues			Positive	Negative		
1	Product safety & quality	Impact	Direct damage to consumers in the event of an accident involving hygiene products	✓		●●●	1
		Financial	Damage to brand trust and consumer attrition due to product safety incidents, and the cost of legal response and compensation in the event of consumer harm		✓	●●●	
2	Packaging & plastics	Impact	Accumulation of microplastics in soil and marine ecosystems and long-term risks to the health of plants, animals and humans due to plastic waste from products and packaging materials		✓	●●	2
		Financial	Strengthening the company's image as eco-friendly by developing sustainable materials, reducing plastic use, and increasing the recycling rate of packaging materials Increase in costs due to stricter regulations, e.g., Extended Producer Responsibility (EPR)	✓		●●●	
3	Consumer hygiene & health	Impact	Contribution to improvements in the hygiene and health of consumers' daily living environments by providing products and services that prioritize hygiene and health	✓		●●●	3
		Financial	Increase in premium product sales and expansion into new markets, driven by rising product demand and a growing elderly population	✓		●●	
4	Resource circulation & waste	Impact	Contributing to eco-friendly production by improving resource-use efficiency and promoting waste resource recycling to reduce waste generation	✓		●●●	5
		Financial	Legal sanctions and disposal costs due to environmental pollution caused by inadequate waste management Increase in waste disposal costs		✓	●●	
5	Consumer relations, trust & transparency	Impact	Enhancement of product reliability and consumer satisfaction through active interactions, such as consumer counseling and surveys on the website	✓		●●●	4
		Financial	Direct loss of sales from distribution suspensions and consumer attrition, as well as fines, in cases of insufficient product information or omitted precautions, due to strengthened consumer protection regulations (information labeling, advertisement review, etc.)		✓	●●	
6	Sustainable products & technology	Impact	Reducing environmental impacts and fostering sustainable consumption and production by developing products and technologies with improved environmental and social performance across the entire product lifecycle, from raw material extraction to disposal	✓		●●●	6
		Financial	Market differentiation and enhancement of consumer trust through the expansion of products with improved environmental and social performance	✓		●●	
7	Ethical & compliance management	Impact	Creation of social instability due to abuse of market dominance and unfair trade practices		✓	●●●	10
		Financial	Risk of direct costs such as fines and litigation expenses in the event of ethical or compliance violations, and revenue loss due to a decline in brand value	✓		●	
8	Energy management	Impact	Achieving operating cost reductions through improved energy efficiency and the adoption of renewable energy sources	✓		●	11
		Financial	Reduction of operating costs through decreased energy consumption and transition to renewable energy	✓		●●	
9	Hazardous chemicals management	Impact	Harm to stakeholders (workers and consumers) and environmental pollution caused by exposure to hazardous chemicals		✓	●	8
		Financial	Threats to business continuity due to production disruptions and deterioration in consumer trust resulting from hazardous chemical issues		✓	●●	
10	Sustainable growth strategy	Impact	Contribution to domestic economic growth and opening of new markets through the adoption of and investment in new technologies	✓		●●	9
		Financial	Enhancement of brand value as a market leader and expansion of demand for products and services	✓		●	

People: Our Strength and Source of Hope

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Double Materiality Assessment

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

Yuhan-Kimberly sets targets for each material issue and carries out various activities through response strategies based on those targets. Key activities and performance can be found below and on each relevant reporting page. We will continue to advance our strategies and activities to prevent and mitigate risks and actively create opportunities related to our material issues.

● Environmental ● Social ● Governance/Economic Sector

Material Issues	Response Strategy	Key Activities and Performance	Page	Relevant UN SDG Targets
Product Safety & Quality	Placing consumer safety as the top priority, we operate an advanced product safety assurance process that exceeds the level required by national laws. We continuously monitor the safety of raw materials and products, compliance with regulations and potential issues throughout the entire process—from product development and production to post-launch distribution—and proactively identify and respond to emerging risks.	· Maintained raw material safety standards stricter than statutory standards, and conducted a total of 1,616 reviews of product safety, laws and labeling/advertisement compliance · Maintained quasi-drug GMP certification for all feminine care product manufacturing plant: acquired and maintained ISO 9001 (Quality Management System) certification · Conducted 63 pre-release conformance tests to ensure product quality, compliance, safety and efficacy · Conducted at least 1 biannual inspection to prevent major accidents and monitored raw materials and product safety · Operate a preemptive system to collect consumer complaints and prevent defects · Conducted a campaign for internalization of a quality first culture · Product safety incidents: 0	74-76	
Packaging & Plastics	We establish mid- to long-term plastic reduction strategies by business function and conduct annual performance reviews to achieve the goal of reducing petroleum-based plastic use by 50% compared to 2019 by 2030. We apply the 3R strategy—Reduce, Recycle and Replace—at the product and packaging development stage, and increase resource circulation rates through a separation and disposal system and specialized recycling companies for plastic waste generated.	· Achieved a 16.8% reduction in virgin plastic use compared to 2019 · Achieved a 40% transition to recycled plastics in packaging compared to 2019 · Recycled 1,026 tons of waste synthetic resins as raw materials for plastic container products at Choongju Plant · Achieved a 30% recycled plastics content in film packaging	37-41	 
Consumer Hygiene & Health	Under the vision of 'We Act For Life-Health-Planet,' we develop and expand products and services to promote consumers' health and hygiene. We contribute to improving consumers' quality of life by providing health and hygiene information through our own platforms, conducting various consumer education programs, and donating products to vulnerable groups.	· Expanded portfolio of cleaning supplies, personal care items, and B2B hygiene solutions to meet consumers' health and hygiene demands · Led industry-wide efforts to improve industry safety standards and prevent consumer risks as chairperson of the Hygiene Products Council · Donated diapers and sanitary pads to underprivileged and vulnerable children and adolescents · Provided consumer health information and educational contents through our own platforms: 'momQ' (cumulative members: 2.2 million+) and 'Daldabang' (cumulative downloads: 2.3 million, annual visitors: 3.4 million) · Operated 'We Are on Period' blog providing menstruation-related information in conjunction with 'Daldabang'	52-56, 74-76, 79	
Resource Circulation & Waste	We pursue the goal of reducing waste emissions by 30% compared to 2019 by 2030. We classify and process waste according to the Waste Management Procedures at each mill, and monitor the status of waste generation and disposal through our internal management system. In addition to the waste generated in the course of manufacturing, we are expanding activities to realize a circular economy throughout the entire product lifecycle—from raw material procurement and use to disposal.	· Expanded reuse and recycling at each mill through the operation of the Waste Management Procedures · Recycled 456.5 tons of hand towels and reduced GHG emissions by approximately 695 tCO2eq (cumulative) through the hand towel recycling campaign · Received a Presidential Citation in the "carbon-neutral lifestyle practice" category hosted by the Ministry of Climate, Energy and Environment in 2025 through the hand towel recycling campaign · Reduced risks related to environmental accidents and complaints through regular evaluation of waste transport and treatment suppliers · Supplied 1,026 tons of PP/PE film waste from Choongju Mill's circular resource recognition system to specialized recycling companies for conversion into plastic raw materials	42-43	 
Consumer Relations, Trust & Transparency	Placing trust with consumers as the core foundation of our business, we incorporate the consumer perspective throughout the entire product lifecycle—from planning to post-use—through consumer-oriented management. We innovate our communication system by upgrading the consumer satisfaction center with digital channels, strengthening the transparency and reliability of product information through implementing our own labeling and advertisement guidelines and conducting three-way reviews among relevant departments, and reinforcing internal management capabilities to prevent greenwashing.	· Won 1st place in the Consumer Complaint Evaluation Award for 7 consecutive years · Held the Consumer-Oriented Management Committee meetings twice a year, led by the CEO and attended by executives, resolving 80% of agenda items discussed · Tracked consumer trends and key issues through monthly Voice of the Consumer reports · Completed 821 reviews of product labels and advertisements through an integrated pre-checking process for new products · Operated labeling and advertisement guidelines, conducted monitoring of advertised products at least once a year, and provided training to relevant employees · Received Consumer-Centered Management (CCM) certification from the Korea Fair Trade Commission	74-76, 77-79	

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Double Materiality Assessment

● Environmental ● Social ● Governance/Economic Sector

Material Issues	Response Strategy	Key Activities and Performance	Page	Relevant UN SDG Targets
Sustainable Products & Technology	With the aim to achieve 95% of sales from sustainable products by 2030, we regularly review progress by business function based on our own environmental and social criteria. We apply the 3R strategy—Reduce, Recycle and Replace—at the product development stage and accelerate innovations such as the development of sustainable materials through external partnerships.	· Achieved 63% of sales from sustainable products in 2025 · Established guidelines for the development of sustainable products and packaging that reflect domestic resource circulation and plastic reduction policies · Conducted life cycle assessment (LCA) for major products and reduced carbon footprint · Obtained a total of 53 eco-label and Low-Carbon Certified Products with Environmental Product Declarations (EPDs)	9, 37-41	9 12
Ethical & Compliance Management	Ethical and transparent management is a source of corporate competitiveness and a fundamental principle that must be observed throughout business operations. We practice ethical management based on the Code of Conduct, six core principles for ethical culture, anti-corruption policies and fair trade policies. Our CEO publicly declares a commitment to ethical management every year, and key matters related to ethical and compliance management are reviewed through our regular board reports.	· Zero sanctions for violations of the Monopoly Regulation and Fair Trade Act · Attended the Ethical Management ESG Forum for 23 consecutive years and made an external declaration · Operated the Internal Control Committee, the Ethical Management Committee and the ESG Governance Subcommittee, with regular board reports on related agendas · Operated the Fair Trade Compliance Program · Provided code of conduct training and issued newsletters to combat unfair trade practices · Maintained a reporting channel for code of conduct violations for each stakeholder · Selected as one of Korea’s Most Admired Companies for 22 consecutive years	22-25	16
Energy Management	Led by the Manufacturing Function, we set energy intensity targets for each facility at every business site and monitor monthly performance by business site and through the Environment & Energy Working-Level Meeting. Energy consumption data is collected and analyzed through the Factory Energy Management System (FEMS), and initiatives for improving total energy use and intensity are reflected in capital expenditure (CAPEX) to drive continuous improvements in energy efficiency.	· Conducted real-time energy monitoring based on FEMS and identified energy reduction initiatives · Established a heating system utilizing steam condensate at Kimcheon Mill · Generated 126.6 MWh of renewable energy in 2025 through the operation of solar self-generation facilities at Choongju Mill · Allocated 23% of CAPEX to environmental investment	46-48	7
Hazardous Chemicals Management	We operate separate management systems for our plant and products to minimize risks associated with hazardous chemicals. Our plant systematically manage handling risks through prior approval, risk assessments and the implementation of safety guidelines based on Material Safety Data Sheets (MSDS) from the receipt to the disposal of chemicals. At the product development stage, we ensure safety through prior review and verification of new raw materials before use, and proactively restrict the use of substances that raise safety concerns according to our internal standards.	· Reviewed chemical components (K-REACH, RoHS, etc.) · Kept MSDS at business sites and conducted training · Established our own raw material safety standards (17 items) that are stricter than legal requirements · Monitored substances of safety concern at least once a year to reflect the latest domestic and international regulatory trends and consumer issues · Established and operated voluntary usage restriction standards covering 190 substances of safety concern	45, 74-76	3 12
Sustainable Growth Strategy	We enhance business competitiveness by turning our unique strengths into growth strategies. We classify and systematically manage product lines with competitive advantages as core businesses, while strategically nurturing new growth businesses defined as future core businesses. We create opportunities for continuous innovation through additional growth in strategically adjacent areas, productivity improvement and the establishment of a competitive supply chain.	· Completed a total facility investment of KRW 42.0 billion to strengthen competitiveness in household goods and B2B businesses · New products accounted for 14% of total sales in 2025, with 28 new products launched from core and growth businesses · Expanded seasonal products for summer · Exported products to 33 countries in 2025, with a 13.3% increase in export revenue year-on-year (approximately KRW 136.1 billion) · Accumulated 2.62 million members on our own platforms (momQ, Daldabang) · Reduced annual logistics costs by KRW 5.5 billion and strengthened supply chain competitiveness through a logistics network redesign	37-41, 52-58	8 12

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Special Page

Menstruation: A Universal Yet Deeply Personal Life Experience

Menstruation is not merely a physiological process—it is a life experience directly tied to women’s health and dignity. As something experienced monthly for approximately 40 years from their first period, it extends beyond personal experience to become a shared social experience for all women. As a manufacturer of feminine hygiene products, Yuhan-Kimberly recognizes its deep responsibility to respond meaningfully to society’s expectations around sanitary pads and to create an environment where women can use them with greater cleanliness, comfort and peace of mind during menstruation, and we are committed to acting on this responsibility. At a time when public interest in menstrual equity and menstrual products is growing, we intend to share our approach and practices openly.

Why Does Menstrual Equity Matter?

Menstruation is a natural physiological process that approximately half the world’s population experiences throughout their lives. Yet for a long time, it has been treated as something individuals must quietly endure on their own. In 2024, the United Nations Human Rights Council unanimously adopted the resolution on menstrual hygiene management, human rights and gender equality (A/HRC/RES/56/11), formally recognizing menstruation as a human rights issue directly linked to the right to health, education and work. In Korea, the 2016 “insole sanitary pad” incident brought the issue of economic access to menstrual products to the fore, and repeated debates over product safety and pricing have since driven a rapid shift in public awareness. Today, menstruation extends well beyond a matter of hygiene—it is a complex social agenda encompassing the right to access safe products, the right to choose products that meet individual needs, and the right to menstrual health information and medical services, and must be addressed from a more multilayered perspective.

Can Menstruation Be Defined by Averages?

Menstruation varies widely from person to person. It is commonly described as lasting around 5 days on a 28-day cycle over 40 years, with approximately 80g of menstrual blood discharged. In reality, however, individual experiences differ considerably. Depending on one’s physical characteristics and constitution, the normal range is broad—cycle length spans 3 to 7 days, intervals range from 25 to 31 days over 30 to 40 years, and the volume and consistency of menstrual blood also vary. Even for the same person, cycle length and flow can change significantly with age or health status. For example, those with heavy menstrual bleeding may need to change their pads every hour, while others find a panty liner sufficient. The degree of menstrual cramps, premenstrual syndrome (PMS) and hormonal changes also varies greatly among individuals, as does the condition and sensitivity of vulvar skin. Furthermore, choices of menstrual products—insertable tampons, pad-type sanitary pads, reusable pads and others—differ depending on cultural background, climate and access to water and sanitation facilities. Menstruation may be a shared experience, but rather than understanding it solely through average benchmarks, we need to recognize and respect the diversity of individual menstrual experiences. This is also why over 100 brands coexist in the Korean sanitary pad market (as of March 2026, based on registrations with the Ministry of Food and Drug Safety).

What Is Yuhan-Kimberly’s Approach?

Yuhan-Kimberly recognizes menstruation as a vital life experience directly tied to women’s health and dignity. We strive to contribute to building a society where all women can freely choose products suited to their needs and menstruation does not become a barrier to daily life. Sanitary pads are more than a consumer product—they require a level of safety and functionality comparable to quasi-drug standards. We are committed to respecting menstrual equity as defined by international organizations while continuously working to guarantee consumers’ right to make their own health choices, reflecting the diversity of individual menstrual experiences.

Guidelines on Menstrual Health and Hygiene¹⁾

1	2	3	4	5
				
Right to a social environment free from discrimination and stigma Social support / Ending stigma and discrimination	Right to access accurate information and education Knowledge and skills	Right to access hygienic facilities and services Facilities and services	Right to access and choose menstrual products Menstrual materials and supplies	Right to health and access to medical services Health and well-being
• Right to be free from shame, discrimination, exclusion and enforced silence due to menstruation • Right to freely participate and move in school, the workplace and the community during menstruation • Right to have menstruation recognized as a social and structural issue rather than a personal one	• Right to receive scientifically accurate and age-appropriate information on menstruation, puberty and bodily changes • Right to receive education suited to each stage of the lifecycle, before and after menstruation • Right to access fact-based knowledge free from misconceptions and taboos	• Right to access toilets with water, soap and guaranteed privacy • Right to access a safe environment for changing, washing and disposing of menstrual products • Right to use facilities that are accessible regardless of disability, age or gender identity	• Right to access a variety of menstrual products suited to individual health needs, preferences, cultural background and environment • Right to be free from reliance on inadequate or unsafe alternatives due to financial constraints • Right to freedom of choice and dignity in selecting from sanitary pads, tampons, menstrual cups, reusable products and others • Right to access essential supplementary items alongside menstrual products, including soap, underwear and pain relief medication	• Right to receive appropriate medical information and services for menstrual pain, infections and menstruation-related conditions • Right to manage the physical and mental health impacts of menstruation • Right to be referred to the healthcare system when needed

The content above represents Yuhan-Kimberly’s redefinition of menstrual equity, based on the UNICEF Guidance on Menstrual Health and Hygiene.
1) Source: UNICEF Guidance on Menstrual Health and Hygiene 2019, p.44

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Yuhan-Kimberly's Efforts for Menstrual Equity

Since 1971, Yuhan-Kimberly has developed products suited to Korean women, pioneering the market as an industry leader through commercialization of new materials in partnership with suppliers and continuous safety verification. As a quasi-drug product, sanitary pads require consideration not only of performance but also of safety and the environmental sustainability of materials. Yuhan-Kimberly continues to drive product development innovation to reflect the diverse and active demands of Korean women consumers, while respecting menstrual equity and fulfilling its social responsibilities as a company.

Key Activities from a Menstrual Equity Perspective

Product Innovation / Enhanced Safety

Freedom of Choice

- Launched the first mass-market menstrual products in 1971
- Continuously developed products and materials suited to Korean women's menstrual experiences
 - Goodfeel, White
- Disclosed full ingredients
- Operated a dedicated product safety regulatory team

Universal Menstrual Equity

Accessibility

- Economic accessibility
 - Froze the price of mid-to-low-price product Goodfeel Pure since its launch in 2016, with an additional product launched in 2026, and applied an offline channel strategy developed with adolescent accessibility in mind
- Accessibility for people with disabilities
 - Applied universal design including Braille packaging¹⁾, first time sanitary panties and informational booklets for multicultural families

Menstruation Education and Awareness Improvement

Right to Education

- Comprehensive Awareness Improvement
- Conducted menstruation education for adolescents since 1972
- Operated school-based programs in collaboration with the Korean Health Teachers Association (KHTA)
- Expanded digital platform (Daldabang)

Consumer Value Based Education

Donations and Awareness Improvement

Social Responsibility

- Contributed to alleviating period poverty of vulnerable groups through the cumulative donation of 13 million pads under Goodfeel's 'Cheer Up, Daughters' campaign (since 2016)
- Continued employee donation campaign supporting women's NGO activities (since 2005)

History of Activities for the Advancement of Menstrual Equity

1970s

- 1971~ Developed feminine care products for Korean women
- 1972~ Conducted menstruation education for adolescents
- 1972~ Menstrual brand communication

1990s-2000s

- 1995~ Aired the first TV advertisement by a menstrual brand
- 2005~ Operated a dedicated product safety regulatory team

2010s

- 2016~ Donated 1 million pads under the 'Cheer Up, Daughters' campaign
- 2016~ Supplied mid-to-low-price sanitary pads
- 2017~ Regular consultation body between the Korea Consumer Agency and the Hygiene Products Council
- 2017~ Regular consultation body between the Ministry of Food and Drug Safety and the Quasi-Drug Council
- 2018~ Launched a menstrual health blog 'We Are on Period'²⁾

2020s

- 2020~ Developed menstrual pad changing educational materials for children with developmental disabilities
- 2021~ Applied Braille packaging for the visually impaired
- 2026~ Launched additional mid-to-low-price sanitary pads and expanded distribution channels
- 2026~ Pursued MOU with the Korean Health Teachers Association to strengthen menstrual equity for adolescents

1) Required by the Ministry of Food and Drug Safety
2) Transitioned to 'Daldabang' from 2021

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Special Page

Ten Years of Keeping Our Promise

Since 2016, Yuhan-Kimberly has kept two social commitments to advancing menstrual equity. We have contributed to reducing the financial burden on consumers by freezing the price of mid-to-low-price sanitary pads for a decade since their launch, and have continued to donate 1 million pads annually to economically vulnerable adolescents for over ten years.

2016

We will lead efforts to support adolescents from low-income families who struggle to afford sanitary pads

→ Yuhan-Kimberly to Launch Mid-to-Low-Price Sanitary Pads in the Second Half of the Year and Donate 1.5 Million Pads

Yuhan-Kimberly has learned that some adolescents in our society struggle to afford sanitary pads, and we find this deeply troubling. We have decided to implement the following measures to support adolescents facing financial difficulties.

1 Launch of mid-to-low-price products in the second half of the year to expand consumer choice

First, in the second half of 2016, Yuhan-Kimberly will develop and launch sanitary pads that deliver reliable basic quality at mid-to-low prices. This effort will create an environment where adolescents who struggle to afford sanitary pads have a wider range of options to choose from.

The Korean sanitary pad market has been centered on high-quality, high-performance products, driven by consumers' high expectations for quality and intensifying global competition. Through this initiative, we will also contribute to broadening price diversity and expanding universal product choice for consumers.

2 Direct donation of sanitary pads to adolescents from low-income families — free provision of 1.5 million pads to schools this year

Second, as an immediate measure for adolescents from low-income families in urgent need, Yuhan-Kimberly will prepare 1.5 million pads this year and work with relevant government ministries and civil society organizations to immediately launch a project providing free sanitary pads to elementary, middle and high schools. Additional support will be considered as needed.

Through these initiatives, Yuhan-Kimberly will redouble its efforts to grow with society—embedding care for the socially vulnerable into our products while also strengthening global competitiveness through product innovation.

June 3, 2016

Yuhan-Kimberly Employees

Press release in 2016

2026

Goodfeel Launches Additional Mid-to-Low-Price Sanitary Pads, Expanding Consumer Choice and Accessibility

→ Launched ahead of schedule in March, moved up from the originally planned second quarter, thanks to cooperation from related organizations and company-wide support

→ With the new product launch, the mid-to-low-price lineup that has been in operation since 2016 expanded from 3 to 4 products

→ Supplied at half the price of Goodfeel Original, the best-selling product in our lineup (based on supply price)

Yuhan-Kimberly announced on the 10th that it will launch a new mid-to-low-price sanitary pad ahead of schedule in March. On January 26, the company had announced that it deeply resonates with the government's and the public's expectation that economically vulnerable groups should be able to rightfully enjoy universal menstrual equity, and that it would expand the choice and accessibility of its mid-to-low-price sanitary pads, which have been kept at the same price since 2016.

The newly launched mid-to-low-price product is the Goodfeel Pure Super Long Overnight, a 42cm super-long type designed for worry-free nighttime use. Although a second-quarter launch had originally been planned, early production was able to begin on March 9 at the company's Taejon Mill thanks to cooperation from related organizations and company-wide support. With the new product launch, the mid-to-low-price lineup under the Goodfeel brand expanded from the existing 3 products to 4—Goodfeel Pure Medium, Large and Super Long Overnight, and Goodfeel Kotex Overnight.



Goodfeel Pure Super Long Overnight, newly produced at Yuhan-Kimberly's Taejon Mill on the 9th

Press release in 2026

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Special Initiative for the Development of Customized Products for Children with Developmental Disabilities

Special Page

Development of Customized Menstruation Educational Materials for Children with Developmental Disabilities

What are first time sanitary panties?

First time sanitary panties are hygiene underwear developed as a training tool to help consumers practice attaching menstrual pads, for those who need repeated practice—including children experiencing their first period and women with developmental disabilities. For those who have difficulty attaching a sanitary pad to their underwear, the inside of the waterproof panties features an intuitive pad-shaped design to help users easily identify the correct attachment position. Through this product, Yuhan-Kimberly aims to improve accessibility to menstruation education and support everyone in preparing for the changes in their body with greater comfort and confidence.

Key Timeline of First Time Sanitary Panties



Development Process of First Time Sanitary Panties



Study materials from the development phase

We initially considered guiding users through the attachment steps with Korean text on the inside of the panties. However, reflecting on the feedback that some users may have difficulty understanding written Korean instructions, we then explored a design using the numbers '1, 2, 3' to indicate the attachment sequence.



Final design

Incorporating additional feedback from health teachers that some users may also have difficulty recognizing numbers depending on their level of disability, we determined the final design to intuitively display the pad shape on the inside of the panties.

Beyond products, to education: protecting the health and educational rights of students with developmental disabilities

It all began when I reached out to Yuhan-Kimberly to ask whether menstruation education materials were available. For students with developmental disabilities, it is important that education on understanding menstruation and managing hygiene be delivered repeatedly and visually. Yuhan-Kimberly's educational materials proved to be of great help in the classroom, receiving positive responses from teachers. As this need was communicated, it led beyond providing educational materials to creating menstrual underwear teaching aids and distributing them for free to special schools nationwide. We believe this is a meaningful example of how corporate expertise combined with hands-on school experience can support adolescents' rights to both health and education.

Sun Ah Kim

Korean Health Teachers Association,
Health Teacher at Yangseo Middle School

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Governance

Governance Features

Yuhan-Kimberly is a joint venture between Yuhan Corporation and Kimberly-Clark, with ownership stakes of 30% and 70%, respectively. The company has a total of 40 million issued shares and a paid-in capital of KRW 200 billion. The Board of Directors is comprised of experts appointed through the general shareholders’ meeting upon recommendation from the two major shareholders, and performs decision-making and oversight for major business operations. The CEO, as a professional manager delegated authority by the Board of Directors, has overall responsibility for the company’s management, ensuring management expertise and independence. Following the inauguration of a new CEO in 2025, Yuhan-Kimberly continues to maintain management continuity while achieving stable performance, including net sales growth compared to 2024.

Board of Directors

Composition

As the highest decision-making body, the Board of Directors pursues balanced growth and corporate value maximization based on a broad understanding of stakeholders, including shareholders, employees, consumers and communities. The Board consists of eight experts: three domestic and overseas CEOs, three financial experts, a global legal expert and an auditor. Board candidates are selected considering their expertise and national diversity, recommended by shareholder companies, Kimberly-Clark and Yuhan Corporation, and are appointed through the general shareholders’ meeting. In 2025, the Board includes four non-Korean directors, including one newly appointed foreign director.

Operation of the Board of Directors

The Board of Directors holds at least two meetings per year in accordance with the Articles of Incorporation, with extraordinary meetings convened as needed. In 2025, the BOD held four meetings, deliberating on and resolving 19 agenda items, with an average attendance rate of 89.29%. Key agenda items included the appointment of the Chairperson of the Board, review of the 2025 Business Plan, and the report of 2025 key ESG environmental and social performance.

Evaluation and Compensation

The annual remuneration cap for directors and auditors is determined at the general shareholders’ meeting. Remuneration is calculated based on an evaluation of assigned duties and performance results. Both the base salary and performance bonus are paid reflecting not only financial performance but also non-financial performance such as sustainable management.

Composition of Yuhan-Kimberly’s Board of Directors

(As of June 2026)

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

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Ethical and Compliance Management

Yuhan-Kimberly recognizes ethical management as a source of corporate competitiveness and the core foundation of sustainable management, and works to foster an honest and transparent corporate culture. To this end, we established the Code of Conduct and the Pillars of Ethical Culture, and operate the Fair Trade Compliance Program and channels for reporting Code of Conduct violations to prevent and manage ethics risks. We also strengthen employees' ethical awareness and compliance capabilities through ethics and compliance training, and practice transparent management by expanding communication between executives and employees through Open Management Meetings.

Ethical Management Policy

Yuhan-Kimberly established a Code of Conduct to enable all employees and the Board of Directors to make consistent ethical judgments in their work. The Code of Conduct outlines the ethical standards and practical guidelines for key areas such as employees, finance, consumers and plant, the environment and safety, and the community, and its main points are summarized into the “Six Pillars of Ethical Culture” and applied across the organization. In addition, we established detailed ethics policies including anti-corruption and fair trade policies, and made them permanently available on the intranet, our internal communication channel, so that all employees can clearly understand and practice ethical standards.

Key Items of the Code of Conduct

Our People	Our Financial Integrity	Our Consumers and Business Sites	Our Environment, Safety and Community
· Valuing diversity and inclusion · Conflict of interest management · External communication	· Maintaining strong internal control · Careful choice of business partners · Ethical trading of securities · Information security	· Fair competition · Interaction with government officials · Prevention of corruption and bribery · Principles for giving or receiving gratuities · Global business principles · Responsible marketing and advertising	· Committing to sustainability · Ensuring workplace safety · Provision of quality products · Supplier engagement

Yuhan-Kimberly's Pillars of Ethical Culture

01  Encouraging open dialogue	02  Ensuring no retaliation	03  Preventing conflicts of interest	04  Safeguarding company confidentiality	05  Upholding mutual respect	06  Prioritizing safety as a fundamental value
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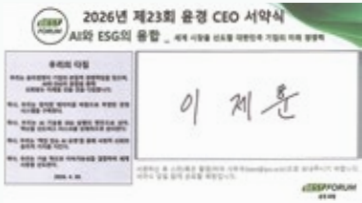
CEO's Commitment to Ethical Management

Yuhan-Kimberly strengthens its ethical management system and promotes an ethical corporate culture, led by example from the CEO and executives. As a member of the Ethical Management ESG Forum, the CEO has participated in the ethical management pledge every year since 2004, continuing to promote it in society. In 2026, Yuhan-Kimberly attended the 23rd Best ESG Forum CEO Pledge Ceremony held under the theme of “The Convergence of AI and ESG: The Future Competitiveness of Korean Companies Leading the Global Market.” At the ceremony, attendees discussed the responsible approach to new ethical challenges—including energy and governance—arising from the advancement of AI-driven ESG management and the spread of AI, amid a growing emphasis on data-based ESG implementation and verification. Yuhan-Kimberly will continue to promote a transparent and responsible corporate culture, grounded in the CEO and executives' commitment to ethical management.

Spotlight



23rd Best ESG Forum CEO Pledge Ceremony



Written Pledge of JayHoon Lee, Representative Director and President of Yuhan-Kimberly

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Ethical and Compliance Management

Ethics Compliance Organization

Yuhan-Kimberly operates the Legal & Compliance Division, a team dedicated to practicing ethical management that reports directly to the CEO. The Legal & Compliance Division is composed of experts in law and compliance, and is responsible for operating the company-wide ethics and compliance system. In addition, YK Finance Control oversees the establishment and operation of internal control procedures based on the guidelines of Kimberly-Clark, the major shareholder, and operates the Internal Control Committee and the Ethical Management Committee to prevent corruption.

Internal Control Working Committee

YK Finance Control holds the Internal Control Committee meeting semi-annually to enhance the level of voluntary internal control compliance among all Yuhan-Kimberly employees. In 2025, the committee shared Kimberly-Clark’s new global policies and guidelines—including the global Delegation of Authority regulations, financial policies and process improvements—and proactively assessed and reviewed potential risks and issues that could affect internal controls. Through the regular operation of the Internal Control Committee, Yuhan-Kimberly works to prevent legal sanctions and financial losses resulting from inadequate internal control operations, while protecting stakeholder trust and brand value.

Compliance and Controls Steering Committee (CCSC)

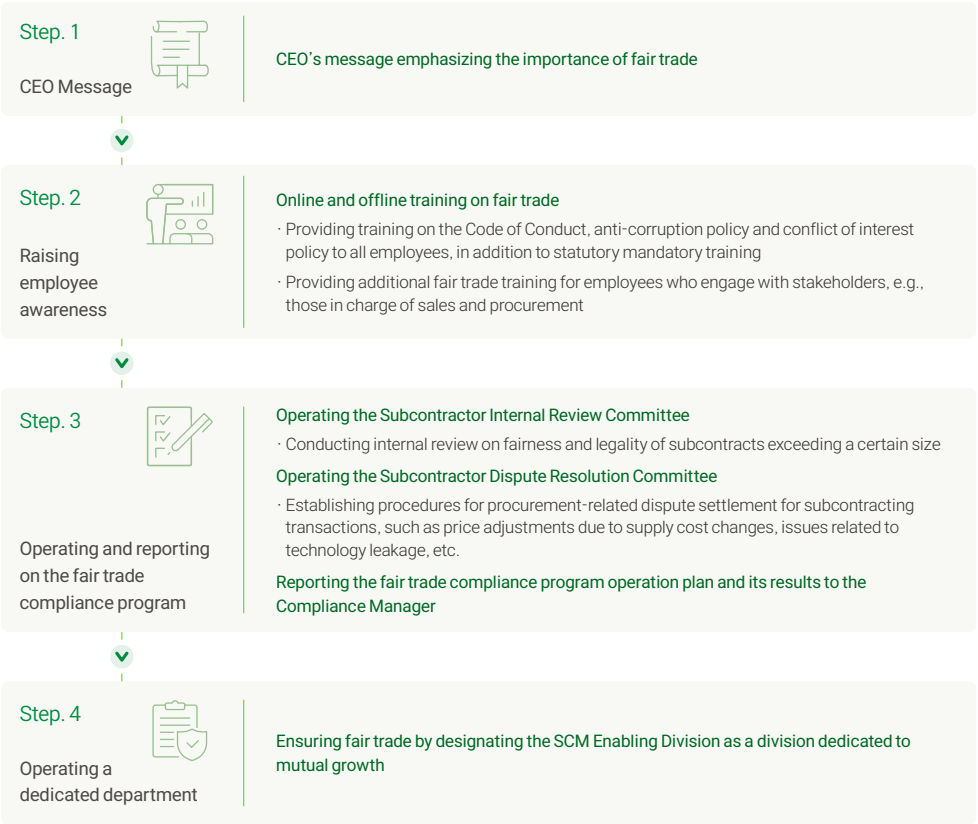
The Legal & Compliance Division and YK Finance Control operate the Compliance and Controls Steering Committee quarterly as a consultative body to share and discuss key issues related to internal controls and ethics & compliance. The committee includes key executives of Yuhan-Kimberly—the CEO, CFO, internal auditor, Manufacturing Function Leader, EX Function Leader, and legal counsel—as well as key personnel from Kimberly-Clark, including its internal auditor, legal counsel and compliance manager. In 2025, the committee conducted quarterly reviews of internal and external audit results and reports and the progress of major projects, continuously monitoring the operational effectiveness of the ethical and internal control system.

Ethics Risk Management

Fair Trade Compliance Program

Yuhan-Kimberly operates a Fair Trade Compliance Program (CP) to voluntarily comply with fair trade laws. The company designated a Compliance Manager who directly reports to the CEO and a dedicated department, and the Compliance Manager is appointed from among senior managers who are familiar with fair trade laws and company policies. In 2025, we provided legal training on subcontracting transactions to fair trade-related departments to strengthen employees’ compliance capabilities. In addition, the Internal Review Committee, which meets at least once a month, conducted pre- and post-verification of fair trade violation risks, including the determination of subcontract prices and compliance with payment deadlines. As a result of this systematic operation, we recorded zero sanctions for violations of the Fair Trade Act in 2025.

Compliance Program Operation Process



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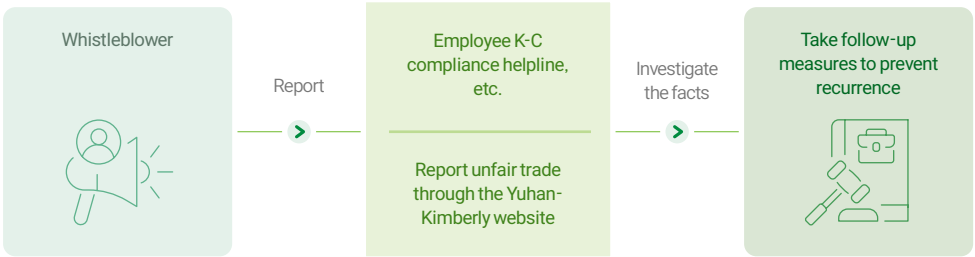
Ethical and Compliance Management

Ethics Risk Management

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

Yuhan-Kimberly operates a 24-hour hotline (contact 080-877-5335) and an unfair trade reporting channel to allow reporting of any Code of Conduct violations. Reports can be submitted anonymously, and the scope covers not only violations of the Code of Conduct but also grievances, questions and concerns. We also protect whistleblowers under the three promises of the Non-Retaliation Policy and actively encourage reporting. We investigate all reports through a thorough examination of the facts, and when a violation is confirmed, we take disciplinary action and post the details on the company intranet to emphasize the importance of Code of Conduct compliance. In addition, we conduct interviews with the employees involved and provide education and improve understanding, ensuring the same violation does not occur again. In 2025, one disciplinary action was taken for a Code of Conduct violation. We confirmed a commitment to prevent recurrence from the party involved, re-communicated the relevant laws and company policies, and completed follow-up measures through an interview with their manager to prevent recurrence.

Process for Handling Code of Conduct Violation Reports



Three Promises of the Non-Retaliation Policy

1

We will objectively evaluate the concerns presented candidly and take the necessary corrective measures.

2

We will protect employees who raise concerns from retaliation.

3

In the event of reported retaliatory behavior, we will undertake a comprehensive investigation and, if necessary, take corrective measures that can extend to termination.

Internalizing Ethical, Compliance and Transparent Management

Ethics & Compliance Training

Yuhan-Kimberly regularly provides ethics and compliance training for all employees to prevent ethics and compliance risks. The attendance rate for the company-wide training on the Code of Conduct and conflict of interest prevention reached 100%. In addition, the Legal & Compliance Division regularly publishes an ethics & compliance newsletter to share regulatory trends from the Korea Fair Trade Commission and compliance guidance with employees, in support of anti-corruption policies and the eradication of unfair trade practices. In 2025, we issued a total of three issues covering topics such as labeling and advertising regulatory trends and the recent Korea Fair Trade Commission cases related to interference with business activities.

Ethics & Compliance Training in 2025

Target	Training Program	No. of Attendees	Attendance Rate
Full-time employees on an annual salary system	Code of Conduct, conflict of interest prevention	618	100%
New leaders	Compliance, Kimberly-Clark policies	20	100%
New employees	Code of Conduct	30	100%
SCM Function	Fair Trade Act, Subcontracting Act	57	77%
Employees in charge of HRBP and temporary agency workers	Training on temporary agency workers	29	64%

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Ethical and Compliance Management

Internalizing Ethical, Compliance and Transparent Management

Generative AI Ethics Principles and Guidelines

As the use of generative AI (GenAI) spreads across all areas of work, Yuhan-Kimberly has established the “Five Ethical Principles for the Use of GenAI” and the “GenAI Usage Guidelines” to help employees use GenAI ethically and responsibly. All content generated by GenAI must comply with the guidelines before use, and the use of personal and sensitive information is restricted. In 2025, we distributed an informational newsletter to all employees and conducted GenAI ethics training for 80 marketing personnel to ensure the practical adoption of the principles and guidelines.

GenAI Usage Guidelines

01. The user must review all content generated by GenAI personally before use.	06. Sensitive personal information must not be used in GenAI.
02. If the content generated by GenAI requires additional review procedures, these procedures must be followed in the same way as with non-GenAI-generated content (e.g., legal, HR, etc.).	07. The use of new GenAI solutions must undergo the company's standard approval procedures.
03. The use of GenAI for analyzing competitor information is strictly prohibited.	08. External GenAI tools must be used under contracts that meet the company's standard requirements. If the standard conditions are not met, the Legal and Procurement Teams must be involved.
04. The use of GenAI is limited to the user's scope of work.	09. Materials submitted to regulatory authorities must not be generated using GenAI without legal review.
05. Personal information of minors must not be used in GenAI.	10. Personal information of foreign nationals must not be used without review by local legal counsel.

Five Ethical Principles for the Use of GenAI

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

Open Management Meeting

The Open Management Meeting is a communication program that shares the status of management and the strategic direction of each business function with all employees to practice company-wide transparent management, and has been in operation since 2013. The meetings are also held at manufacturing sites as needed and broadcast online simultaneously to encourage participation from all business sites. In 2025, the meetings were held semi-annually, with approximately 360 employees attending in the first half and approximately 450 in the second half, sharing financial and business updates and key strategic directions. We also introduced a new session to share success stories from teams and projects, encouraging employees by celebrating achievements.



Open Management Meeting in the Second Half of 2025

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Risk Management

Yuhan-Kimberly works to prevent risks that may arise in the course of business operations and respond swiftly to minimize their impact on stakeholders and the company. We proactively identify risks through potential risk assessments and, in the event of a crisis, prevent the spread of damage by following established response procedures. We also strengthen company-wide response capabilities through regular risk management training. This management framework is documented in the Risk Management Manual, which includes type-specific response procedures for product safety incidents, environmental accidents, and operational disruptions such as fires, explosions and flooding, and is shared across the organization. The manual is revised annually with the approval of the CEO, the Chief Crisis Management Officer, to reflect changes in the business environment and organizational structure in a timely manner.

Organization for Crisis Management

Crisis Prevention Committee

The Crisis Prevention Committee is a standing collaborative organization that proactively identifies social expectations and potential issues related to products and conducts prevention activities. It is comprised of in-house experts in consumer satisfaction, product safety/regulatory affairs, and media/public relations, with additional participation from related departments such as quality, legal and environment depending on the issue. Potential risk assessment results are reflected in prevention activities, and the committee plans and implements annual risk management training. In 2025, quality issues that arose overseas led to increased consumer inquiries and attention regarding country of origin and product safety. In response, Yuhan-Kimberly focused on enhancing consumer trust and creating an environment where consumers can use products with confidence, based on a rigorous safety and quality management framework that meets domestic and international standards and objective evidence.

Risk Management Team

The Risk Management Team is an organization that leads response and recovery efforts in the event of a crisis and implements measures to restore reputation and prevent recurrence. It is comprised of the Crisis Management Secretariat and core teams by function under the CEO, the Chief Crisis Management Officer. In the event of a crisis, the CEO supervises the company-wide response by appointing core team leaders by function and determining response priorities. The Crisis Management Secretariat, comprised of a spokesperson, the Communication Team Leader and the Risk Management Coordinator, supports the operation of the risk management system and company-wide response, while core teams by function maintain the risk management system for their respective functions and respond directly to issues in the field. In 2025, a fire at a nearby logistics facility raised concerns about potential disruptions to our logistics warehouse operations and product supply. In response, Yuhan-Kimberly immediately formed a Logistics Center Supply Normalization Risk Management Team centered on the SCM Function, and carried out initial response and follow-up normalization tasks in phases. This enabled early stabilization of the situation, minimizing market disruption and ensuring business continuity.

Risk Management

Potential Risk Assessment

Yuhan-Kimberly conducts an annual potential risk assessment to promptly identify emerging risks in a changing business environment. We conduct the assessment for all leaders to reflect perspectives from each function, and comprehensively address both financial and non-financial potential risks across four areas: products, processes, people and stakeholders. Each risk item is evaluated based on its likelihood and impact, and the results are shared with all leaders and reflected in the Risk Management Manual and new leader training to ensure that the company-wide response system stays aligned with the current risk environment. The 2026 potential risk assessment identified “supply disruptions of raw materials and products” as the top potential risk, as instability in the global supply of key raw materials such as crude oil and naphtha continues to grow. “Allegation of foreign substances in products” and “price issues” were also included in the top three potential risks, and “digital platform risk (information security)” rose from 9th to 5th place compared to the previous year, driven by growing public concern over information leakage. We manage the top three potential risks based on checklists covering the three phases of preparation, response and recovery, with clear accountability and key management priorities defined for each phase. In particular, issues directly related to consumer safety—such as foreign substances in products—are intensively monitored and addressed through prevention and improvement activities via the Consumer-Oriented Management Committee, considering the nature of a household goods manufacturing company.

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Risk Management

Response Plans for the Top 3 Issues

Potential Risk	Example	Response Activities
Disruptions in the supply of raw materials and products	International supply disruptions, raw material supply delays, logistics instability, over-reliance on specific suppliers, etc.	- Preparation: Establish a Business Continuity Plan (BCP) - Response: Activate the Supply Stability Risk Management Team - Recovery: Evaluate response and reflect findings in the Business Continuity Plan
Allegation of foreign substances in products	Increasing complaints and protests over suspected foreign substances, live insects found during distribution and use, etc.	- Preparation: Conduct quality monitoring, information sharing and ongoing improvement activities centered on the Consumer-Oriented Management Committee - Response: Identify causes, take consumer protection measures and carry out stakeholder communications - Recovery: Establish and implement measures to prevent recurrence
Price issues	Demands for price stability, strengthened price monitoring, shrinkflation ¹⁾ policies, etc.	- Preparation: Monitor price trends and operate a pre-review process for price appropriateness - Response: Verify facts, carry out stakeholder communications and cooperate with investigations by relevant authorities - Recovery: Review and supplement price adjustment processes and policies

1) Shrinkflation: the practice of maintaining a product’s price while reducing its volume, weight or quantity, effectively raising the real price in a way that is difficult for consumers to notice

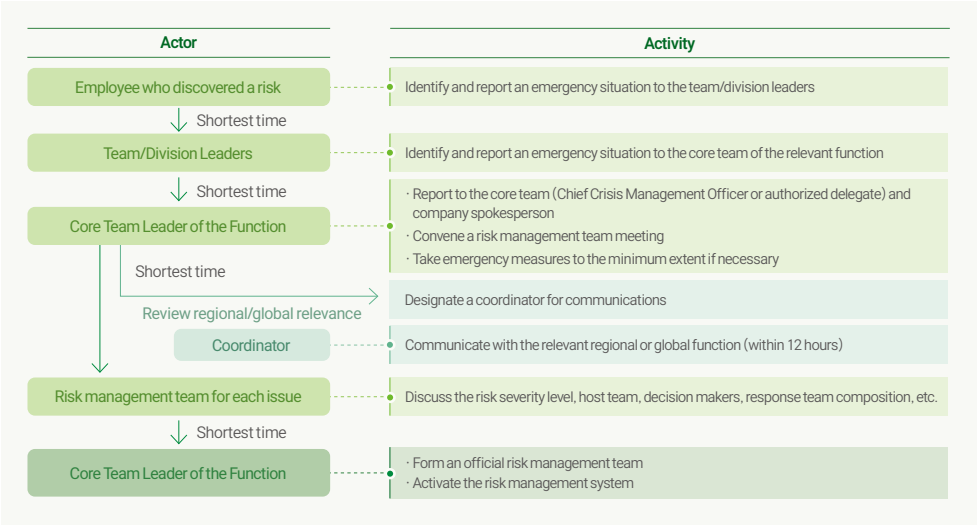
Key Risk Definitions

Potential Risk Types	Products Price issues, recalls, labeling and advertising, foreign substances, environmental performance, raw material safety, etc.	Process Environmental pollution, production disruption, information security, online communication risks, etc.	People Serious accidents, internal data leakage, human rights violation controversies, etc.	Stakeholders Stricter ESG regulations, climate action, supplier risks, community complaints, etc.
Key Risk Factors				

Risk Response Procedures

Yuhan-Kimberly clearly defines the procedures from reporting to response in the event of a crisis to enable prompt reaction. When a crisis situation is identified, it is reported in stages from the team/division leaders up to the core team leader of the function, who then shares the situation with the spokesperson and convenes a risk management team meeting. The risk management team assesses the severity of the crisis and determines the response direction, and once the response is fully activated, a formal risk management team is formed to execute the response.

Risk Response Procedures



Strengthening Risk Management Capabilities

Risk Management Training

Yuhan-Kimberly annually conducts risk management training to equip employees with the judgment and response skills for crisis situations. In 2025, we held a workshop-style training for risk management team leaders. During the training, we reviewed existing crisis response activities and discussed opportunities for improvement from a crisis prevention perspective and ways to reflect them in our processes through case studies of similar incidents. Based on this, we established the direction for future development of the risk management framework. From 2026, we plan to strengthen training by shifting the focus beyond rapid response to imminent crises toward post-response evaluations of key cases and the identification of improvement tasks. Through this, we aim to enhance both crisis response and prevention capabilities in a balanced manner and advance the risk management system.

Risk Management Training in 2025

Target	Topic	No. of Attendees
All leaders of the Logistics Center Supply Normalization Risk Management Team	- Wrap-up and evaluation of risk management team activities - Identification of improvement opportunities from prevention and response perspectives and reflection in systems and processes - Case study on supply chain issues caused by fire	21

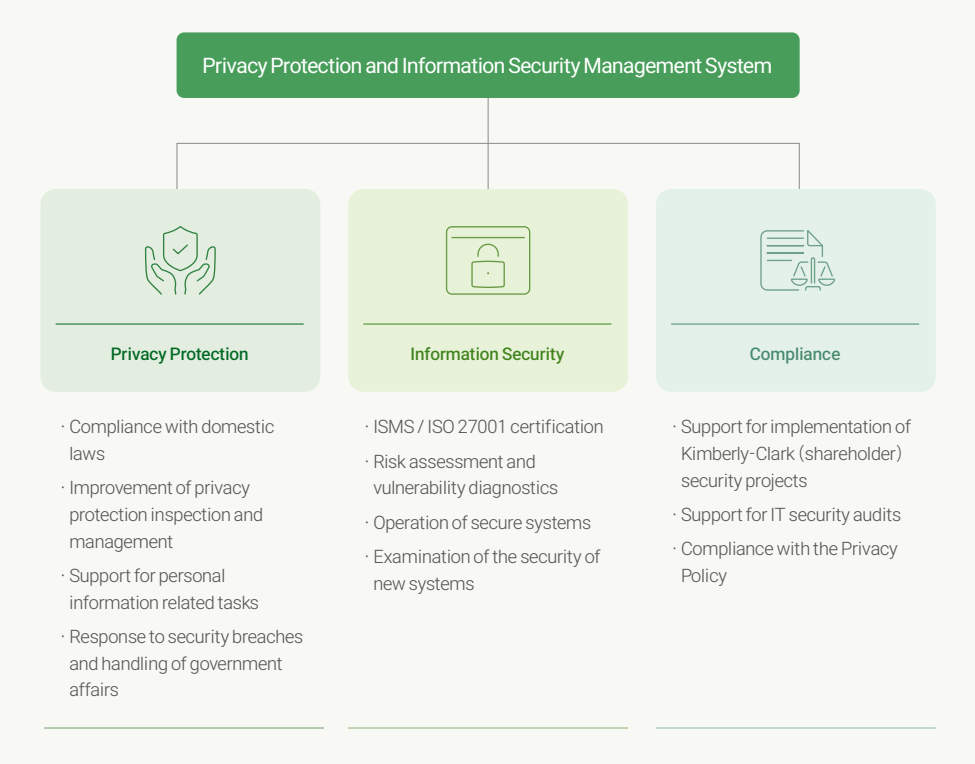
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Information Security

Amid growing personal data breach incidents at home and abroad and tightening information security regulations, Yuhan-Kimberly considers the risks associated with processing personal information—arising from the expansion of external services such as momQ and Daldabang—as a critical management priority and continues to strengthen its information security system. We systematically manage three areas—privacy protection, information security and compliance. Centered on the Information Security Office, our dedicated information security organization, we maintain ISMS and ISO 27001 certifications and conduct regular risk assessments and technical vulnerability diagnoses to minimize security risks. Furthermore, we raise security awareness across the organization through company-wide information security education and training, and manage external risks through regular security inspections of personal information processing contractors, thereby protecting the information assets of users and the company.

Information Security Management Areas



Privacy Protection and Information Security Management System

Privacy Protection and Information Security Guidelines

Yuhan-Kimberly establishes the standards that employees and information security officers must follow through its information security guidelines. These guidelines are regularly reviewed and revised to reflect the latest laws and the security requirements of the Information Security Management System (ISMS) certification. In 2025, we reviewed a total of 13 guidelines, partially revised 3 of them, and newly established the “Personal Data Breach Response Guidelines” to enable a rapid response and minimize damage in the event of a personal data breach. Alongside these internal guidelines, we continuously update the privacy policy for online service users in line with legislative amendments and service changes, and publicly disclose the relevant content. We also provide a separate “Easy-to-Understand Privacy Policy,” which summarizes the key content to ensure that even adolescents and children can easily understand it.

Information Security Management System Certification

Yuhan-Kimberly has maintained its Information Security Management System (ISMS) certification every year since 2018, and has additionally acquired the International Standard Information Security Management System (ISO 27001) certification since 2021, establishing a security system that meets both domestic and international standards. We continuously maintain the certifications through regular follow-up audits, and in doing so, externally demonstrate the security of our information security system and the effectiveness of our management system. We also set certification maintenance status, the occurrence of critical defects in internal audits, and the occurrence of critical security incidents as key indicators, and conduct annual reviews to verify that the management system is functioning in practice. In 2025, all key indicators were met.

Information Security Management System Certification

Certification	Issued by	Details
International Standard Information Security Management System (ISO 27001)	ISO/IEC	· Scope: IT management of momQ, SSO online service and logistics system · Period: August 19, 2024 – August 18, 2027
Information Security Management System (ISMS)	Ministry of Science and ICT	· Scope: Operation of momQ, an online baby & child care e-commerce service · Period: April 3, 2024 – April 2, 2027

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Information Security

Organization for Privacy Protection and Information Security

Yuhan-Kimberly operates a company-wide information security organization led by the CEO. It is composed of the Chief Privacy Officer (CPO), Chief Information Security Officer (CISO), Information Security Officers and Security Operations Officers in charge of each field. We systematically manage information security risks centered on the Information Security Office, our dedicated information security organization. Through the organization charter, we have defined the goals and strategies for protecting the company’s business, information assets and consumer information, and set a clear direction for information security activities. We also regularly conduct qualification assessments for information security personnel to continuously strengthen the organization’s expertise.

Operation of the Information Security Committee

Yuhan-Kimberly operates the Information Security Committee to review and make decisions on key information security matters at the organizational level. The committee is chaired by the CISO, with leaders of relevant departments participating, and deliberates on and resolves key information security matters including allocation of information security resources, review of major issues, ISMS risk assessment and establishment of protection measures. The committee holds one regular meeting per year and can also convene at any time when urgent matters arise, responding promptly to key issues through collaboration with relevant departments.

Information Security Organization Charter

Goal 	We protect our business, information assets, and consumer information from cyber threats, and in doing so, realize our vision and value.
Strategy 	To achieve our organizational goal, we · Minimize information security risks by performing effective risk management · Establish an information security policy and enforce its compliance by all employees · Provide information security education and training to employees to raise information security awareness · Strengthen the organization’s security system through continuous monitoring and improvement · Conduct preparedness drills for agile response in the event of an incident.

Privacy Protection Management

Personal Data Breach Response System

We establish and operate response procedures to enable prompt and systematic response in the event of a personal data breach. When an incident occurs, we identify the categories of data exposed, the scale of damage and the circumstances of the breach, and take initial measures according to the type of breach. For breaches involving fewer than 1,000 cases, we notify affected consumers within 72 hours, and for 1,000 cases or more, we notify affected consumers and report the incident to the Personal Information Protection Commission or the Korea Internet & Security Agency. Affected consumers are informed of the categories of data exposed, the time and circumstances of the breach, measures taken to minimize damage and contact information. We also classify incidents by grade according to the scale and severity of damage and apply differentiated response levels to ensure effective management.

Security Inspections of Data Processing Contractors

To manage external information security risks, Yuhan-Kimberly regularly inspects the security compliance of contractors based on a checklist reflecting ISMS control items and the privacy protection guide. In 2025, we conducted inspections of 23 contractors, excluding those that had obtained ISMS and ISMS-P certifications and subcontractors, and the overall security compliance rate was 96.3%, an improvement from the previous year (91.4%). For the 9 deficiencies identified during the inspections, we required remedial measures and confirmed through follow-up checks that all items had been addressed.

Information Security Management

Risk Assessment and Vulnerability Diagnosis

Yuhan-Kimberly annually conducts risk assessments and vulnerability diagnoses in both management and technical areas in accordance with ISMS certification standards. We establish protection measures for risks that exceed the acceptable risk level and manage security risks by implementing them according to a phased action plan. In the 2025 management area risk assessment, we reviewed risks in key areas including personal information processing, contractor management and security system operations based on ISMS control items and legal compliance requirements, developed 12 integrated protection measures and implemented 91.7% of them. In the technical area, we identified the total number of vulnerabilities through infrastructure inspections and penetration testing and completed remedial measures for 95.4% of them.

System Security Review

To proactively block potential security threats, we annually conduct penetration testing by external experts on major external-facing services. Key infrastructure assets—including servers, networks and databases—are inspected through separate vulnerability scanning scripts, and the implementation of remedial measures for any identified vulnerabilities is confirmed through follow-up checks. In 2025, we conducted penetration testing on four services, including momQ web and mobile, identified 10 vulnerabilities including information leakage and malicious content, and confirmed through follow-up checks that all items had been addressed.

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Information Security

Information Security Management

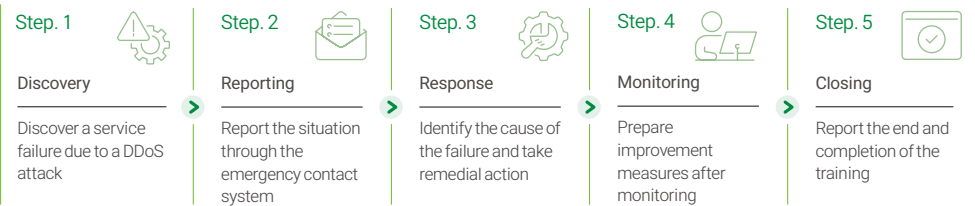
Company-wide IT Asset Security Inspection

In 2025, Yuhan-Kimberly conducted a company-wide IT asset inventory to strengthen response capabilities against cyber threats, identified internet-facing assets such as websites, email and VPN, and carried out vulnerability inspections. Vulnerabilities that could be immediately addressed were promptly remediated, and remaining vulnerabilities are planned to be addressed in phases by the first half of 2026.

Incident Response Process

We establish and operate the “Incident Response Guidelines” to enable a prompt and systematic response in the event of a security breach. Security breaches are classified into grades 1 to 5 according to the scale of damage and business impact, following an identification and registration process, and are handled under the direction of the CISO according to the grade. For serious incidents (grades 1 to 3), an incident response team comprised of information security officers, infrastructure and application system personnel and relevant contractors is convened to take action. When an incident occurs, we take initial measures including identifying the cause and blocking access, and restore major online services and internal business systems. After recovery, we analyze the cause of the incident, establish measures to prevent recurrence and report the response results to prevent the same incident from recurring. We also regularly conduct response drills to verify the effectiveness of our incident response procedures and methods. In 2025, we conducted backup switchover drills to validate the effectiveness of our system recovery procedures and emergency response systems.

Incident Response Scenario



Security Audit

Yuhan-Kimberly regularly conducts internal and external security audits of its IT assets including PCs, networks, servers and cloud infrastructure. Internal audits are conducted once a year under the supervision of the Information Security Office, with the participation of external expert auditors, covering all security operations across services, infrastructure and cloud within the scope of ISMS certification, and examining key areas such as legal compliance, access control and operational security. External audits are conducted once a year by our shareholder, Kimberly-Clark, and the 2025 audit confirmed that our security management system is operating in compliance with security standards. The 2025 internal audit identified four deficiencies, and we established improvement plans for the areas requiring operational improvement—including log management, account and authentication management, security policy operations, and updates to personal information processing practices—and completed all remedial measures within the deadline.

Strengthening Information Security Capabilities

Information Security Education and Awareness

Yuhan-Kimberly provides customized training tailored to different target groups to raise the level of information security across the organization. In 2025, we provided cybersecurity training to all employees, covering major threat types such as phishing and ransomware and how to respond to them, and raised security awareness through simulated phishing drills. Separate in-depth training tailored to job characteristics was provided for new employees, IT and information security personnel and personal information processing contractors to support the practical application of security procedures in the field. Alongside training, we regularly publish an information security newsletter providing guidance on security precautions during external collaboration, phishing email response, and reporting procedures. Through participatory campaigns such as “Computer Clean-up Day,” we encourage employees to voluntarily practice security measures and support the internalization of information security awareness in their daily work.

2025 Information Security Training

Target	New employees ¹⁾	Employees	IT and information security personnel	Responsible employees of data processing contractors (event agencies)
Purpose	Understanding and complying with internal information security rules/guidelines Introduction to Yuhan-Kimberly’s information security organization and policies, and guidance on internal information security rules and guidelines—including PC and internet document security practices, the DLP (Data Loss Prevention) system, and simulated phishing drill procedures—to ensure compliance	Recognizing and practicing information security through training to raise information security awareness Learning about types of cybercrime such as phishing and ransomware and specific response measures, and acquiring skills to identify and respond to suspicious emails received at company email addresses, including social media impersonation and phishing emails	Understanding the latest security trends and improving information security capabilities through differentiated professional training Conducting emergency security inspections for CISOs and providing training on vulnerability diagnosis, backup system checks, and recovery drill status to prevent the spread of damage to the public caused by hacking incidents at major domestic companies	Preventing incidents through recognition of the importance of personal information protection Providing guidance on the legal responsibilities and standards that contractors must comply with throughout the entire process of personal information handling by their employees, in order to fulfill the obligation to manage and supervise contractors in accordance with Article 26 of the Personal Information Protection Act
No. of Participants	47	604	13	58
Participation Rate	100%	100%	100%	100%

1) New hire participation figures were calculated based on employees hired between August and December 2025.

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Environmental Management System

Environmental Management 3.0 Declaration and Goals

As environmental regulations have grown stricter and societal expectations for corporate environmental responsibility have risen, Yuhan-Kimberly has strengthened its management of environmental impacts across all business activities. The company has advanced its management system, shifting from a compliance-focused, reactive approach, to one that proactively prevents environmental impact. In 2020, it launched Environmental Management 3.0, establishing long-term goals to be achieved by 2030, including reaching 95% of sales from sustainable products and reducing greenhouse gas emissions by 25% compared to 2015 levels.

Evolution of Yuhan-Kimberly's Environmental Management



Environmental Management 3.0

We at Yuhan-Kimberly pledge to join global efforts to protect the environment, declare our commitment to grow with society, and promise to lead the way in putting this into practice.

Commitment 1



Yuhan-Kimberly pledges to ensure that sustainable products will account for more than 95% of total sales by 2030 to protect the global environment.

Commitment 2



Yuhan-Kimberly pledges to establish eco-friendly policies and reduce greenhouse gas emissions by 25% by 2030 (versus 2015 levels) to achieve carbon neutrality.

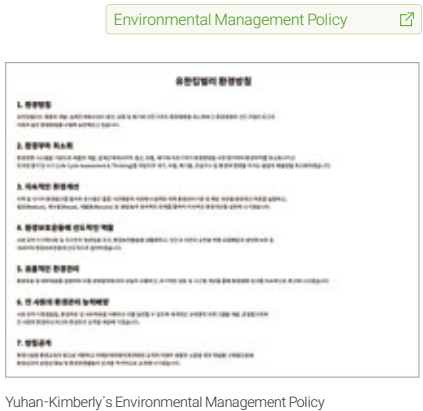
Commitment 3



Yuhan-Kimberly is committed to embracing and putting into practice the Environmental Management 3.0 Declaration for the benefit of future generations and a better society.

Environmental Management Policy

To reduce environmental impact across the entire product life cycle and realize a sustainable future, Yuhan-Kimberly has established an Environmental Management Policy, which is disclosed on the company website. The Policy focuses on minimizing environmental impact at every stage, from product development and design through production, distribution, and disposal, and on fulfilling the company's responsibility as a leader in environmental management.



Operation of Environmental Management System

Yuhan-Kimberly has established and operates an environmental management system based on the international standard ISO 14001 across all plants. Each plant sets environmental management standards and goals across its processes and verifies regulatory compliance and operational effectiveness through regular inspections and internal audits. In addition to ISO 14001 requirements, the company incorporates 11 priority items drawn from the global environmental management framework of its shareholder Kimberly-Clark, further strengthening the execution and management framework of its environmental management system. Inspection results are reflected in improvements of management standards and operating procedures, and the overall system is validated against international standards through third-party assurance and regular follow-up audits.

Environmental Performance Standards

Sentinel Environmental Performance Standards

- EPS 1: Chemical Management
- EPS 2: Freshwater Management
- EPS 3: Stormwater Management
- EPS 4: Wastewater Management
- EPS 5: Air Emissions Management
- EPS 6: Waste Management

Process Control Environmental Performance Standards

- EPS 7: Polychlorinated Biphenyls (PCB) Management
- EPS 8: Refrigerant Management
- EPS 9: Asbestos
- EPS 10: Management of Radioactive Devices
- EPS 11: Bacterial Control Management

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Environmental Management System

Environmental Management Governance Structure

The environmental management governance structure comprises the CEO-led ESG Committee, the Environmental Subcommittee, and Working-Level Meetings, which work in an integrated manner to achieve the company’s 2030 environmental management goals. The Environmental Subcommittee reviews environmental issues and risks, while key agenda items are deliberated and approved by the ESG Committee to determine the direction of the company-wide environmental management. High priority items are reported to the Board of Directors. Overall environmental management practices are overseen by the Environmental Management Working Group, which regularly reviews environmental performance and plans of each site and manages progress through the Environment & Energy Working-Level Meeting (EWLM). In 2025, the ESG Committee discussed and approved the following priority initiatives for 2026: responding to domestic ESG disclosure requirements and regulations, driving energy efficiency innovation in manufacturing operations, addressing and mitigating risks related to the emissions trading scheme, and strengthening the implementation of sustainable products. These plans were subsequently reported to the Board of Directors.

Environmental Management Governance Structure



Managing Environmental Management Risk

Environmental Regulatory Monitoring and Response

As the scope of environmental regulations expands and penalties become stricter, regulatory response has grown increasingly important for the company. Yuhan-Kimberly monitors amendments and revisions to major environmental laws—including the Water Environment Conservation Act, the Wastes Control Act, the Clean Air Conservation Act, the Chemical Substances Control Act, and the Act on the Integrated Control of Pollutant-Discharging Facilities—at least twice a year through the company-wide Environment & Energy Working-Level Meeting. Based on shared updates to these regulations, each site reviews its applicability and potential impact, and adjusts internal management standards, operating procedures, and process operations as needed to proactively reduce the risk of non-compliance. As a result of these efforts, Yuhan-Kimberly maintained zero environmental regulatory violations in 2025.

Risk Assessment and Improvement

Yuhan-Kimberly operates both an ISO 14001-based environmental impact assessment and an EHS risk assessment developed by its shareholder, Kimberly-Clark, to proactively identify and address environmental risks at its sites. The ISO 14001 assessment is conducted whenever operating conditions change, such as through the introduction of new equipment or modifications to existing equipment, and is periodically renewed to reassess key environmental aspects—including air and water discharge, waste generation, chemical use, and energy consumption. The Kimberly-Clark EHS risk assessment is a framework for reviewing environmental, safety, and health risks that may arise from site activities and operations: based on the results, each site identifies improvement tasks and implements them according to priority. In 2025, we identified tasks related to advancing its environmental impact assessment framework, strengthening environmental emergency response capabilities, quantifying environmental targets and performance indicators, and managing environmental risks during equipment modification and maintenance. Improvements were made through specific action plans for key environmental impacts, enhanced emergency response scenarios, data-driven monitoring systems, and energy efficiency improvement activities. As a result, all three manufacturing sites maintained ISO 14001 certification with zero nonconformities while improving environmental performance through reductions in non-point source pollution risks, energy consumption, greenhouse gas emissions, raw material consumption, waste generation, and pollutant emissions.

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Environmental Management System

Strengthening Environmental Management Capability

Accident Prevention and Emergency Response Training

Yuhan-Kimberly operates an emergency response system to minimize damage in the event of an environmental incident. Each plant maintains response procedures, reporting protocols, and emergency contact networks for major emergency scenarios, including wastewater discharge, oil spills, and chlorofluorocarbon leaks. In addition, each plant conducts emergency response drills annually, and in 2025, all three domestic plants completed emergency response training.

Environmental Management Training

Environmental training is conducted annually to raise employees’ awareness and strengthen their ability to implement environmental management practice. The training covers the company’s environmental management strategy, 2030 sustainability goals, and key environmental regulatory trends, while incorporating case studies drawn from production processes and site operations to enhance employees’ practical understanding and application of environmental management practices. Separate job-specific training on environmental regulations and environmental data management is provided to environmental staff to strengthen their regulatory response and management capabilities. In 2025, employees on a four-crew, two-shift schedule across all sites received training twice a year, covering plant-specific environmental management reports, waste status, and Climate Change Week.

2025 Environmental Training

Category	Target	Content
Job-specific Training	Environmental staff	Training on environmental impact assessment guidelines
		Practical training on the Act on the Integrated Control of Pollutant-Discharging Facilities
Environmental Management Training	All plant employees	Training to achieve plant-specific environmental goals
ESG Training	All plant employees	Yuhan-Kimberly’s ESG initiatives and progress

Employee Engagement Activities

Yuhan-Kimberly runs internal campaigns and communication activities to help employees practice environmental protection in their day-to-day work. Employees participate in efforts to reduce resource and energy use, such as minimizing paper printing, using personal cups, and conserving heating and cooling energy at business sites and offices. The Environmental Management Working Group continuously shares related messages and action items to help embed these practices across the organization. For World Environment Day 2025, they issued and distributed a newsletter on the theme of “End Plastic Pollution,” providing guidance on actions employees can take at work and in daily life, such as reducing plastic use, choosing reusable products, and properly sorting waste for recycling. Yuhan-Kimberly employees also took part in a “plogging” activity in the Seongsu-dong area together with the Korea Environmental Conservation Institute and partner businesses engaged in environmental education and social contribution, putting environmental protection into practice with the local community. In 2026, the company plans to continue expanding employee opportunities to participate in environmental protection by working with the Ministry of Climate, Energy and Environment on a climate action pledge and related outreach activities.



2025 Plogging Activity

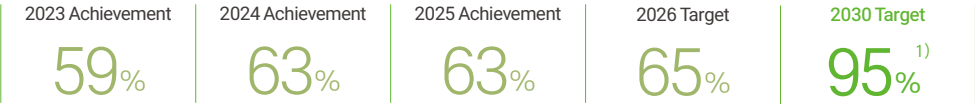
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Sustainable Products

Yuhan-Kimberly is expanding its portfolio of sustainable products to reduce environmental impact across the product lifecycle and create shared value for society. Products are assessed against proprietary environmental and social performance criteria, and those meeting one or more of these criteria are designated as sustainable products. The environmental criteria for sustainable products consist of three elements: reduction and transition of plastic use, enhanced environmental performance (through environmental certification), and reduction of carbon footprint. To achieve its goal of a 95% share of sustainable products in total sales by 2030, Yuhan-Kimberly is increasingly using eco-friendly materials, obtaining environmental certifications, and reducing the carbon footprint across the full product life cycle. As a result, sustainable products accounted for 63% of the company’s total sales in 2025.

Sustainable Product Target Achievement Rate



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

Criteria for Sustainable Products¹⁾ and Contribution Areas

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

1) Total sales are calculated based on the domestic market and exclude products sold through sales agencies and B2B hospital and safety products subject to safety regulations.
2) Products are referred to as sustainable products upon achieving quantitative targets, benchmarked against 2019.

Examples of Sustainable Products and Environmentally Improved Products

Spotlight

Product Name	Image	Sustainability-related Features
Kleenex Washable Biodegradable Hygiene Kitchen Towel (launched in February 2026)		Made with fabric composed of PHA and PLA—plant-derived materials including sugarcane—and natural pulp certified under FSC® CoC
Kleenex Paper Wet Wipe		Made with 100% natural pulp fabric, with recycled plastic applied to caps, pouches, and other components, contributing to the reduction of virgin plastic use
Scott Nice Weather Fabric Deodorizer		Uses Bio-PET, reducing greenhouse gas emissions and virgin plastic use
Greenfinger BEBE GROW Pure Baby Bottle		Applies 45% castor-bean-derived material ¹⁾ that reduces carbon emissions by 80% compared to conventional plastic

1) The carbon emissions reduction effect is based on a comparative assessment conducted by the raw material supplier between this material and conventional polyamide material, calculated based on emissions from raw material extraction through raw material production.

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Sustainable Products

Reduction and Transition of Plastic Use

2030 Targets

Recognizing plastic reduction and the transition to sustainable materials as key priorities, Yuhan-Kimberly has established targets to reduce plastic use by 50% and increase recycled plastic content rate in packaging materials to 50% by 2030, using 2019 as the baseline year.

To achieve this, the company is reducing plastic consumption across products and packaging while increasing the use of biomass-based and recycled plastics. These efforts resulted in a 16.8% reduction in plastic use and a 40% recycled plastic content rate in packaging materials in 2025.

Target for reduction of plastic use (compared to 2019)	2025 Achievement	2026 Target	2030 Target
	16.8%	17.2%	50%

Target for packaging materials' transition to recycled plastic (compared to 2019)	2025 Achievement	2026 Target	2030 Target
	40%	40%	50%

Reducing Virgin Plastic Raw Material Use by Reducing Product Material Weight and Increasing Recycled Plastic Use

Yuhan-Kimberly is working to reduce the use of virgin plastic raw materials across its products and packaging to meet its company-wide 2030 targets for plastics and packaging. Each business unit establishes a mid-to-long-term transition strategy and reviews the progress annually, with key initiatives centered on lightweighting product materials, optimizing design, and expanding the application of recycled plastics and biomass material. In 2025, lightweighting the spunbond nonwoven fabric used in products was pursued as a core initiative. Project Titan, based on fine-denier spunbond nonwoven fabric technology, significantly reduced the amount of plastic materials used while maintaining product softness and strength, making the largest contribution to overall product material reduction. In addition, the company expanded its use of recycled plastic, applying 30% post-consumer recycled plastic to the body of adult wet wipes and increasing this to 80% for caps. As a result, a total of 824 tons of virgin plastic raw material use was reduced compared to the previous year through lightweighting of product material and the application of recycled plastics.

2025 Transition Achievements by Business Division and 2030 Mid-to-Long-Term Strategy

Business Division	Baby Care	Family Care	Feminine Care	Aging Care	Industrial Products/ Medical Care (B2B)
2025 Achievements	· 50% recycled plastic (PIR)¹⁾ applied to diaper packaging · Removed vinyl inner packaging and replaced with paper packaging for BEBE GROW pacifiers and baby bottles · 80% recycled plastic (PCR)²⁾ applied to baby wet wipes caps	· 50% recycled plastic (PCR) applied to secondary packaging of Kleenex toilet paper · Facial tissues (select products): Plastic film at outlet replaced with paper · 80% recycled plastic (PCR) applied to wet wipes caps	· 30% recycled plastic applied to film-type packaging materials · 50% recycled plastic applied to overnight sanitary pads	· 30% recycled plastic applied to packaging materials produced at Choongju Mill · 50% recycled plastic applied to packaging materials produced at Taejon Mill	· Development and supply of paper-based oil absorbent materials · Removal of wet wipes caps
2026 Strategy	Focused on transitioning core product lines of each business division to sustainable products (materials/packaging)				
2030 Strategy	Beginning in 2025, expand sustainable development to categories beyond core product lines (masks, skincare, accessories, etc.)				

Guidelines for Product and Package Development

To fundamentally reduce dependence on petroleum-based plastics in products and packaging materials, Yuhan-Kimberly has established the “Guidelines for Development of Sustainable Products and Packaging,” which guide decision-making throughout the product development process. The guidelines are built on the 3R hierarchy, prioritizing Reduce (minimizing raw material consumption), Recycle (increasing the use of recycled materials), and Replace (transitioning to sustainable alternatives to petroleum-based materials).

Guidelines for Development of Sustainable Products and Packaging

Priority	Reduce Minimize raw material use	Recycle Increase recyclability	Replace Replace plastics
Product	· Minimize raw material use · Reduce process waste	Under review for feasibility	Adopt sustainable (non-petroleum) raw materials Apply biodegradable plastics
Packaging	Curb excess packaging	Expand use of recycled fiber and recycled plastics	Not allowed ³⁾

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

1) PIR (Post-Industrial Recycled): Materials produced by recycling waste generated during the manufacturing process.
2) PCR (Post-Consumer Recycled): Materials produced by recycling plastics and paper, etc. discarded after consumer use.
3) Biodegradable plastics are used only if there is a risk of leakage into the environment.

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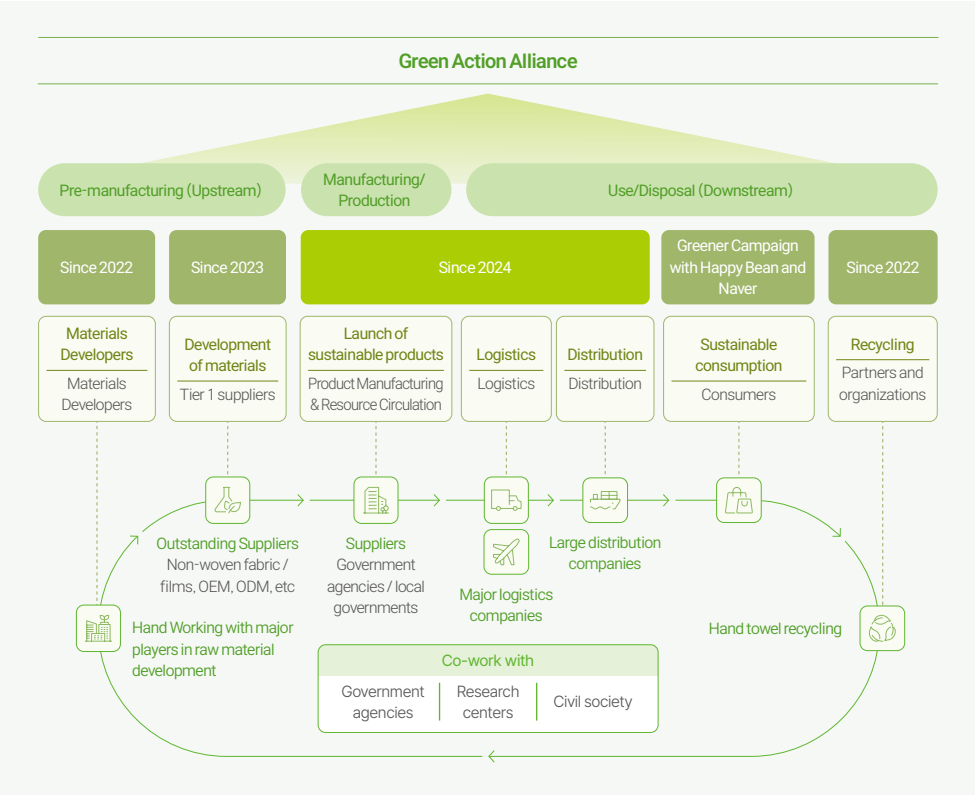
Sustainable Products

Reduction and Transition of Plastic Use

Collaboration for the Transition to Sustainable Materials

Yuhan-Kimberly has formed the Green Action Alliance in collaboration with material development companies to reduce the use of fossil fuel-based petroleum plastics in its products and packaging and expand the use of sustainable materials as alternatives. Since the launch of the alliance in 2022, Yuhan-Kimberly has partnered with 63 companies as of 2025, including 4 raw material developers, 24 primary suppliers, and 35 hand towel-related companies, to develop sustainable material innovations. Following rigorous assessments of quality and commercial applicability, these materials have been gradually integrated into products and packaging. In 2026, the company introduced Kleenex Washable Biodegradable Sanitary Wipes made with biodegradable bio-based (PLA/PHA) nonwoven fabric, replacing conventional petroleum-based polypropylene (PP) nonwoven fabric.

Green Action Alliance System Diagram



Eco-friendly Certification Management

Yuhan-Kimberly is expanding its acquisition of environmental certifications issued by the Ministry of Environment to objectively demonstrate the environmental performance improvements of its products and provide consumers with reliable environmental information. Through the Environmental Label certification, the company gains recognition for environmental improvements in its products, including resource circularity and reduction of hazardous substances. The Environmental Product Declaration (EPD) is used to calculate and disclose environmental impact information across the full product life cycle. In addition, EPD-certified products that meet carbon emission reduction requirements also obtain low-carbon certification. As of February 2026, a total of 46 products—including shampoos, body cleansers, toilet paper, and air fresheners—have obtained Environmental Label certification. Furthermore, 3 mask products and 4 wet wipe products have obtained EPD certification, with all 4 wet wipe products also obtaining low-carbon certification.

Products with Eco-Labels and EPD Certifications

(as of February 2026)

Certification Standard	Product Name	Number of Certifications
Eco-Labels certification	· Greenfinger Forest Phyton Shampoo and Shower Gel	2
	· Popee Embossing Toilet Paper	38
	· Save Tissue Rolls	
	· Kleenex Center-Pull Toilet Paper Standard	
	· Kleenex Air Freshener Cell Lavender	6
· Kleenex Spray Air Freshener		
EPD certification	· Kleenex 4-Layer Mask [KF94]	3
	· Kleenex KF94 Daily Protection Mask [KF94], etc.	
Low carbon certification	· Scott Eco Paper Wet Wipes	4
	· Kleenex Paper Wet Wipes	
Total		53

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Sustainable Products

Eco-friendly Certification Management

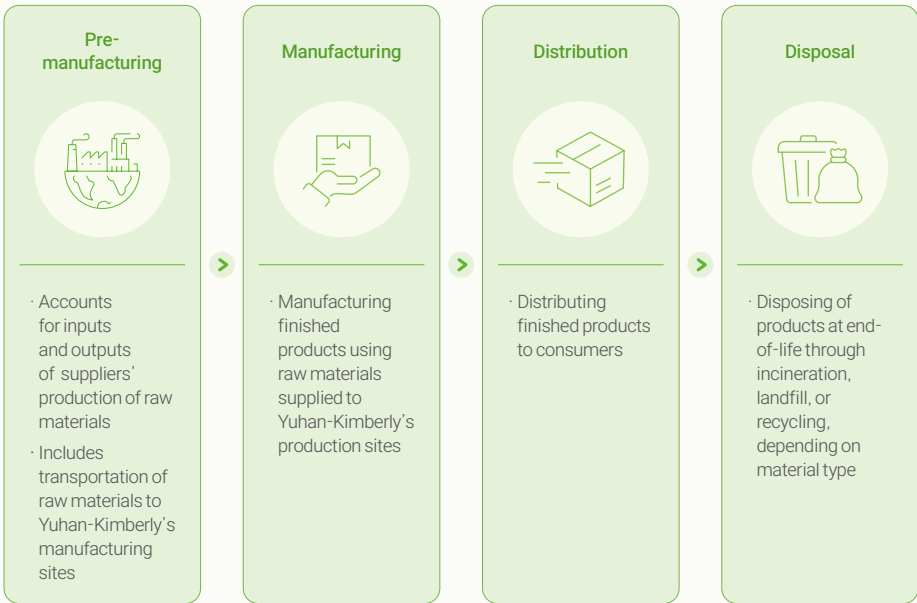
Product Environmental Management Based on Life Cycle Assessment (LCA)

Spotlight

Life Cycle Assessment (LCA) is a method for quantitatively measuring and evaluating the environmental impacts generated across a product's entire life cycle—from raw material extraction through production, distribution, use, and disposal. Yuhan-Kimberly utilizes LCA to identify and improve the environmental burden of its products based on data. Through LCA, the company analyzes factors with high environmental impacts in advance and reflects these findings in product design and improvements to the supply chain and manufacturing process, while also linking environmental information such as carbon footprint and recycled material content to product labeling. LCA results also undergo third-party assurance and are utilized in obtaining EPD and low-carbon certifications. Yuhan-Kimberly continues to enhance the accuracy and scope of the Life Cycle Inventory (LCI) data that supports its Life Cycle Assessment (LCA) activities. To further strengthen its environmental management capabilities, the company is developing an online simulation system that enables more systematic LCA-based decision-making and environmental performance management.



Scope of Data Collection by LCA Phase



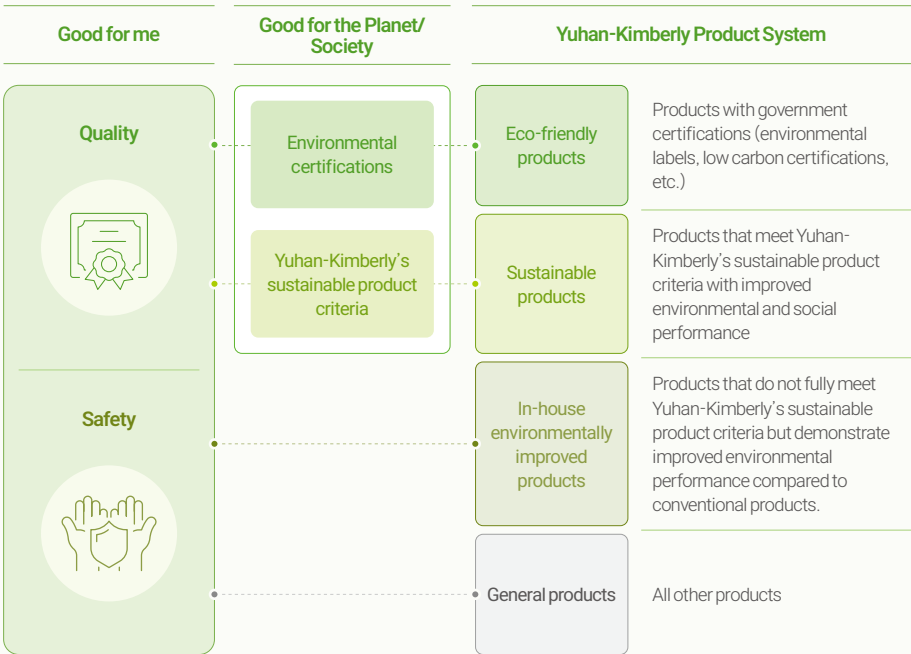
Yuhan-Kimberly Product System

Spotlight

Yuhan-Kimberly strictly complies with quality and safety standards for all products, and systematically manages its product portfolio by classifying products according to their level of environmental performance into four categories: eco-friendly products, sustainable products, in-house environmentally improved products, and general products. The company is strategically prioritizing the expansion of eco-friendly and sustainable products, and to prevent the greenwashing risk, we use the term "eco-friendly" only for products that have obtained environmental label or low-carbon certifications. Sustainable products are defined based on internal quantitative standards set at a level comparable to national environmental regulatory standards, and are products that maintain or improve product performance relative to general products while strengthening environmental and social value.



Yuhan-Kimberly Product System Chart

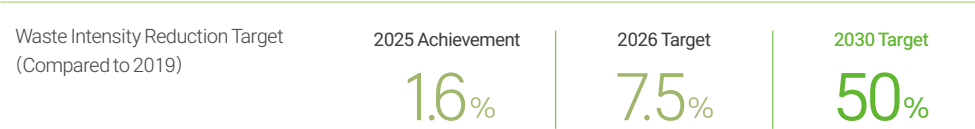


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Resource Circulation and Waste

Yuhan-Kimberly works to minimize waste generation across the entire product life cycle, from raw material input and manufacturing to end-of-life disposal, while ensuring the proper treatment of all waste generated. The company has established a mid-to-long-term target to reduce its waste intensity by 50% by 2030 compared to 2019, and since 2025 has also established an additional intensity-based reduction target that manages waste generation relative to product volume. While waste reduction efforts were pursued across the full life cycle, including manufacturing processes, the 2025 target was not met due to additional waste generation, including scrap metal resulting from equipment replacements and transfers between plants. In 2026, the company plans to further optimize, reduce, and recycle waste through equipment stabilization work, improving both waste generation volume and intensity. At the waste treatment stage, Yuhan-Kimberly standardizes management procedures across sites and regularly evaluates waste treatment partner companies to ensure that waste is properly treated in accordance with relevant regulations and internal standards.

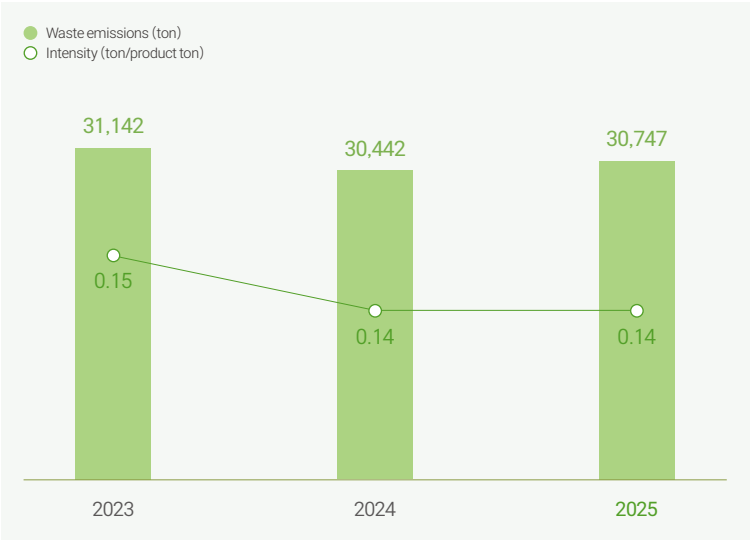


Waste Management at the Manufacturing Stage

Reduction of Waste Generation

Yuhan-Kimberly continuously improves its processes, equipment, and operating methods to reduce waste generated during product manufacturing and site operations. At the Kimcheon Mill, the introduction of treatment chemicals with dewatering performance increased the efficiency of moisture removal from sludge generated during wastewater treatment, helping reduce final waste volume. A 2025 pilot application confirmed an approximately 14% reduction in sludge generation compared to previous levels, and the company plans to continue reducing both waste generation and the environmental burden of the treatment process. In addition, the Taejon plant improved equipment to reduce the defect rate in the fabric splicing and transfer process during diaper production, thereby reducing the amount of fabric discarded due to defects and contributing to waste reduction in the manufacturing process.

Waste Emission for Three Years



Conversion of Waste Resources into Circular Resources

Yuhan-Kimberly ensures that by-products generated during production are used as recycled raw materials rather than simply discarded as waste. Over 1,000 tons of polypropylene (PP) and polyethylene (PE) film waste are generated annually during diaper production and are supplied to specialized recycling companies to be converted into plastic raw materials. Under the Act on Promotion of Transition to a Circular Economy and Society, the Choongju Mill obtained circular resource recognition for the waste synthetic resin generated during sanitary pad production. As a result, this material can be utilized as a raw material rather than classified as waste, and is being recycled externally as a raw material for plastic containers. As of 2025, 1,026 tons have been converted into raw material through this process and Yuhan-Kimberly plans to gradually expand the scope of circular resource recognition going forward.

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Resource Circulation and Waste

Resource Circulation across the Entire Product Life Cycle

BI:CYCLE Campaign

Beyond reducing waste generated during manufacturing, Yuhan-Kimberly is working to realize a circular economy across the entire product life cycle, including raw materials, use, and disposal. A leading example is the BI:CYCLE campaign, a sub-project of the Green Action Alliance, the company’s supply chain-wide collaboration platform. The BI:CYCLE campaign is a resource circulation program that collects and recycles used hand towels. Hand towels used solely to dry hands are recyclable, but have long been discarded as waste due to limitations in collection infrastructure. To address this, Yuhan-Kimberly spent eight years developing a resource circulation system encompassing the entire process from hand towel use and collection to reprocessing and finished product production. Since its launch in 2022, the campaign has drawn participation from companies, local governments, and public institutions from diverse sectors, including public services, manufacturing, distribution, finance, and IT. As of December 2025, a cumulative total of 35 partner companies have participated, recycling approximately 457 tons of hand towels and reducing greenhouse gas emissions by approximately 695 tCO₂eq—equivalent to the annual carbon absorption of about 76,419 30-year-old pine trees in central Korea. In recognition of these achievements, Yuhan-Kimberly received a Presidential Citation in the “Carbon Neutral Lifestyle” category hosted by the Ministry of Climate, Energy and Environment in 2025.



2025 Presidential Citation for BI:CYCLE Campaign

Yuhan-Kimberly received a Presidential Citation in the “Carbon Neutral Lifestyle” category in recognition of its contributions to resource utilization efficiency and greenhouse gases reduction through collaboration with key industrial stakeholders, including companies, local governments, and public institutions.

BI:CYCLE Campaign Status and Performance

(Cumulative from November 2022 to December 2025)

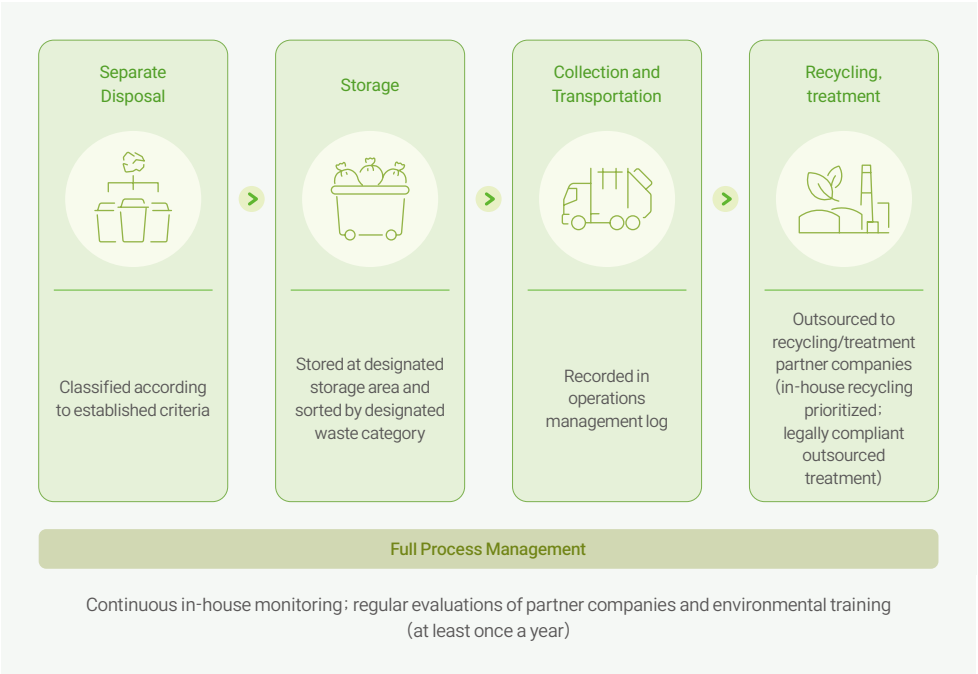
Hand towels collected	Hand towels recycled
628,329 kg	456,544 kg
Carbon dioxide reduced ¹⁾	Carbon absorption equivalent ²⁾
695,413 kgCO ₂ eq	76,419

1) Calculated using a life cycle assessment methodology based on ISO 14040 and ISO 14044, by subtracting the GHG emissions from recycling the collected quantity of hand towels from the emissions that would arise if the same quantity were entirely incinerated.
2) Carbon absorption rate of 30-year-old pine trees in central Korea (National Institute of Forest Science: Standard Carbon Absorption of Major Forest Tree Species (2019))

Waste Treatment and Management

Alongside its waste reduction efforts, Yuhan-Kimberly operates a management system covering the entire treatment process to minimize the environmental impact of waste generated. Internally, the company standardizes waste classification, storage, transport, and treatment standards based on site-specific waste management, and continuously monitors waste generation and treatment status through its own monitoring system. In addition, Yuhan-Kimberly conducts regular evaluations of its waste transport and treatment partner companies at least once a year to verify compliance with environmental regulations, and reflects the results in vendor selection and contract renewal decisions. Where deficiencies are identified, the company works with vendors on corrective action, and provides environmental training to relevant employees and treatment partners to raise the overall standard of waste management.

Waste Management Process

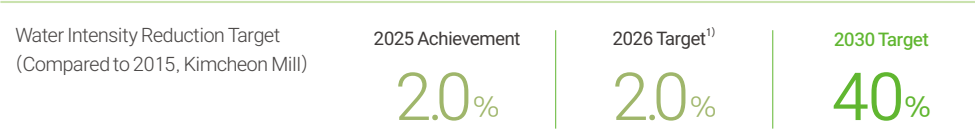


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Water Resources and Pollutants

Water is a critical resource for the stable operation of manufacturing processes. Yuhan-Kimberly manages water usage at each plant and pursues improvement initiatives to enable more efficient water use in the production process. The Kimcheon Mill, which has the highest water consumption among the company’s domestic manufacturing facilities, has established a mid-to-long-term target to reduce water intensity by 40% by 2030 compared to 2015, establishing annual targets and implementation programs to achieve this goal. The Taejon and Choongju Mills set 2025 targets of reducing water consumption by 2.0% and 3.6%, respectively, compared to the previous year, and all three mills met their annual targets. In addition, as wastewater, water pollutants, air pollutants, and chemicals used on-site can directly affect local aquatic ecosystems, community life, and worker safety, the company minimizes environmental burden through systematic management at each stage of discharge.



Water Resource Risk Management

In response to global water resource management requirements, Yuhan-Kimberly used the World Resource Institute’s (WRI) “Aqueduct” assessment tool to analyze water stress levels at its three domestic manufacturing plants. The analysis found that, for 2030, 2050, and 2080, most plants are expected to experience water stress at or below the “Medium-High (20–40%)” level; however, under a business-as-usual (BAU) scenario, the Taejon and Choongju Mills are projected to reach “High (40–80%)” water stress levels by 2030. Kimberly-Clark’s own water stress analysis similarly identified the Taejon plant as a stressed area. Accordingly, the Taejon Mill—assessed as having high water stress—has set a target of reducing absolute water use by 40.9% by 2030 compared to 2015, and is pursuing expanded water reuse and recycling and leak inspections to reduce its dependence on local water resources. To achieve this target, the company plans to incorporate these measures into its future business strategy, including replacing aging cooling towers, installing mist reduction devices, and installing greywater recycling facilities by 2030.

1) In April 2026, the restart of Kimcheon Mill’s Unit No. 7 was taken into account as a factor that would increase the intensity, and the target was therefore set at the same level as the previous year’s performance.

Reduction of Water Usage Through Reuse and Recycling

The Kimcheon Mill identifies water reuse and recycling initiatives on a monthly basis through its Water Management Task Force (TFT) and reflects them into plant operations. In 2025, the plant advanced improvements to its wastewater treatment process, including replacing the turbo blower on its 10 TM equipment, and expects this to reduce water use by approximately 1,080 tons per day going forward. The plant also recycles approximately 30% of its treated wastewater for use in the tissue production process and dust collector cleaning water, reducing the need for new water intake. In February 2026, the Taejon Mill built a system to reuse industrial water previously discharged from its cooling towers. This is expected to reduce cooling water discharge and save approximately 10,100 tons of water annually.

Wastewater and Water Pollutant Discharge Management

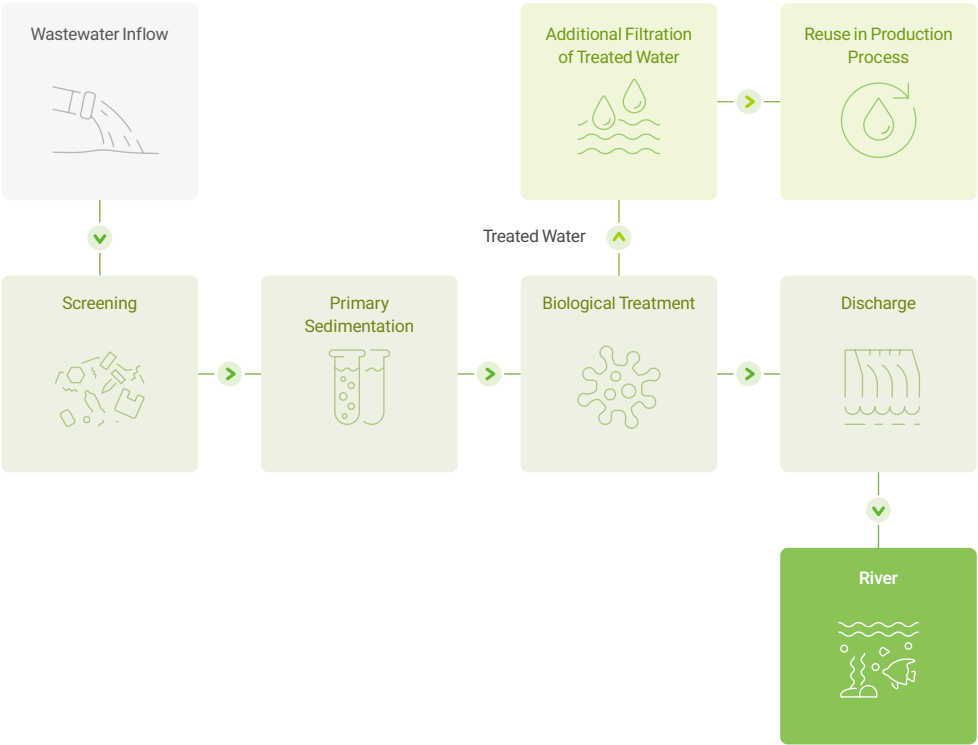
Yuhan-Kimberly operates a water quality management system at each plant to properly manage wastewater and water pollutants. The Kimcheon Mill transmits wastewater discharge data in real time to the Korea Environment Corporation through an automatic water quality measuring system (TMS), and treats wastewater entering its on-site treatment facility through debris removal, primary sedimentation, and biological treatment. Treated water is managed in accordance with discharge standards, with a portion reused as processed water after additional filtration. Through the integrated environmental management system, the Kimcheon Mill has also tightened its permissible discharge standard for the water pollutant TOC by up to 40% relative to the standard under the Integrated Environmental Management Act, minimizing impact on the local environment and contributing to pollutant reduction targets. The Taejon and Choongju Mills operate non-point source pollution reduction facilities, and chemical wastewater generated in laboratories is outsourced to specialized external treatment companies for lawful disposal. All plants have also established emergency response procedures for wastewater spill incidents and conduct regular training and emergency drills.

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Water Resources and Pollutants

Kimcheon Mill Wastewater Treatment Process



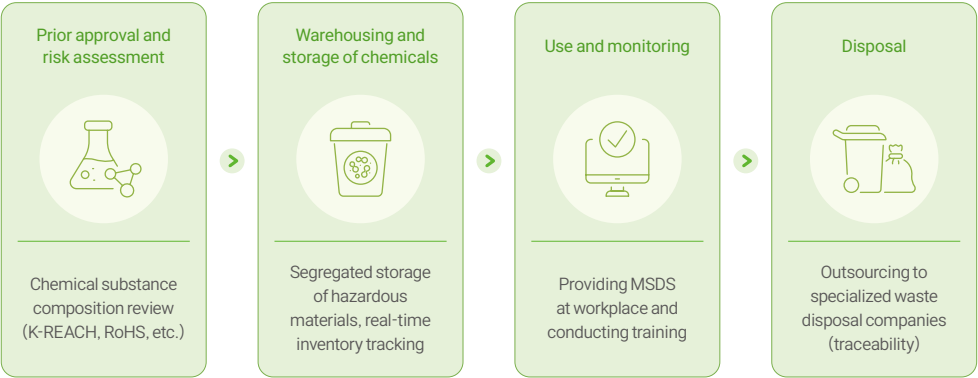
Air Pollutant Emissions Management

Yuhan-Kimberly operates air pollution prevention facilities at each plant and manages air pollutant emissions through regular equipment inspections and process improvements. The company inspects dust collection facilities to reduce dust emissions and upgrades equipment as needed to ensure stable management of emission concentrations. In 2025, an electrostatic precipitator was added to existing prevention facilities to reduce dust and fumes that can be generated during the non-woven fabric production process. An electrostatic precipitator is equipment that collects and removes fine dust using electrostatic force. Following installation, dust concentrations at major emission points were confirmed to have reduced by approximately 98.5% and 99.1%, respectively, compared to previous levels. These measures have significantly reduced dust emissions from key production processes and enhanced the operational effectiveness of its air pollution prevention facilities.

Chemical Management

Yuhan-Kimberly systematically manages the entire process of chemical intake, storage, use, and disposal at its plants in compliance with the Act on Registration and Evaluation of Chemicals (K-REACH) and the Chemicals Control Act. All chemicals are used only after prior approval and risk assessment, and the potential for substitution is reviewed as a priority for hazardous substances. When handling chemicals, site-specific safety protocols—including the use of personal protective equipment and installation of spill prevention equipment—are applied based on Material Safety Data Sheets (MSDS), and employees receive safety training and emergency drills at least once a year. In 2025, the Kimcheon, Taejon, and Choongju Mills conducted special training for 16, 19, and 2 chemicals handling personnel, respectively, in accordance with the Chemical Substances Control Act, strengthening their capacity to prevent safety incidents during chemical handling.

Plant Chemical Management Process



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Greenhouse Gas and Energy

Since the 2015 Paris Agreement, both national and corporate responsibility for greenhouse gas reduction has intensified, making climate change a key management issue affecting business operations and financial performance. In response, Yuhan-Kimberly is pursuing greenhouse gas reduction and climate risk management and has reported on its climate response since 2023 in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The company reviews its climate response framework and manages related implementation tasks across four core areas: governance, strategy, risk management, and metrics and targets.

Climate Action Governance Structure

Yuhan-Kimberly reviews key climate-related agenda items primarily through its ESG Committee. The ESG Committee meets semi-annually and, in accordance with its operating regulations, is responsible for identifying climate risks, reviewing and approving response measures, and overseeing the management of sustainability-related risks and opportunities. Major climate-related agenda items are reported to the Board of Directors twice a year following review by the Committee. The Environmental Subcommittee under the ESG Committee, chaired by the Head of Manufacturing and Production, reviews climate-related tasks and risks and submits key decisions to the ESG Committee. Day-to-day climate response is coordinated by the Environmental Management Working Group, which collaborates with the Finance division on climate risk and opportunity analysis and strategy development, and with the Procurement and Manufacturing/Production divisions on prevention and reduction activities.

Climate Action Strategy

Based on the TCFD recommendations, Yuhan-Kimberly identified climate-related risks and opportunities across its major business operations and assets company-wide, and conducted a qualitative analysis of the potential impacts on its business from a medium-term perspective through 2030. The analysis referenced the Intergovernmental Panel on Climate Change’s (IPCC) SSP1-2.6 and SSP5-8.5 scenarios to examine the potential for low-carbon transition and the expansion of physical climate impacts, while the transition risk and opportunity analysis referenced the regulatory and cost escalation assumptions used in calculating the company’s internal carbon price. Going forward, Yuhan-Kimberly plans to progressively advance its analysis by applying additional scenarios, such as those from the IEA¹⁾ and NGFS²⁾, along with quantitative financial impact assessment methodologies.

1) IEA: International Energy Agency
2) NGFS: Network for Greening the Financial System

Financial Impact Analysis of Climate Risks and Opportunities

Classification	Type	Risk/Opportunity Factor	Potential Financial Impact
Transition Risk	Policy and Legal	Rising carbon credit prices	Increased cost of purchasing emission credits due to strengthening of the emissions trading scheme, as an allocated company under the system
		Stricter plastic waste regulations	Increased compliance costs related to packaging and plastics, including waste charges and packaging material contribution fees
	Technology	Transition to low-carbon technologies	Costs from adopting energy efficiency technologies at sites and product R&D investment to meet greenhouse gas reduction targets and respond to demand for low-carbon, eco-friendly products
	Market	Rising energy prices	Rising unit costs and procurement expenses for electricity and other energy sources due to the global energy transition trend and instability in fossil fuel supply and demand
	Reputation	Shifting consumer preferences	Increased costs of obtaining eco-friendly product certifications, driven by growing consumer emphasis on sustainability and increasing demand for eco-friendly products and companies
Physical Risk	Acute	Heavy rainfall	Costs from damage to buildings, equipment, and inventory due to site flooding from river overflow or localized torrential rain
	Chronic	Heatwaves	Increased cooling electricity costs and reduced productivity due to a rising number of heat wave days and increasing average daily maximum temperatures from abnormal weather
Opportunity	Market	Rising carbon credit prices	Revenue from selling surplus emission credits generated by reducing emissions through electricity savings and expanded low-carbon production equipment
	Products and Services	Eco-friendly products and services	Increased revenue based on the company's sustainable product strategy

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Greenhouse Gas and Energy

Climate Change Risk Management

Yuhan-Kimberly manages identified climate change risk factors in connection with site operations. Key status updates are monitored monthly through Environment & Energy (E&E) Cluster meetings attended by the Manufacturing Function leader and E&E personnel from each plant, and the ESG Committee regularly reviews the implementation status of response initiatives. Greenhouse gas reduction performance is also reflected in the KPIs of the Manufacturing Function leader and each plant manager, and relevant resources—such as energy efficiency improvements and investment in eco-friendly facilities—are allocated as needed. Major climate-related risks are managed in connection with Yuhan-Kimberly’s company-wide risk management framework and are reported to the Board of Directors following review by the ESG Committee.

Greenhouse Gas Reduction Targets and Activities

2030 Greenhouse Gas Emissions Reduction Target

Yuhan-Kimberly has set a target to reduce greenhouse gas emissions by 25% by 2030 compared to 2015 in response to climate change. To this end, the company has re-established detailed annual intensity targets to strengthen execution, and reviews greenhouse gas emissions and energy consumption at each site every year to manage progress against the target. As a company subject to emission allowance allocation under the Emissions Trading Scheme, Yuhan-Kimberly also manages its annual emissions volume, discloses related information, and manages both the implementation of reduction targets and regulatory compliance.

Greenhouse Gas Emission Reduction Target (Compared to 2015, based on shareholder Kimberly-Clark’s internal calculation standards)	2025 Achievement	2026 Target	2030 Target
	14.9%	13.2% ¹⁾	25.0%

Improvements of Energy Efficiency in Manufacturing Process

Yuhan-Kimberly is pursuing energy efficiency improvements in its manufacturing processes as a key initiative for meeting its greenhouse gas reduction targets. The Kimcheon, Taejon and Choongju Mills regularly review energy consumption status and improvement initiatives, and use the Factory Energy Management System (FEMS) and equipment operation data analysis tools to collect and manage energy consumption data for key equipment. This allows the company to analyze energy usage patterns and sources of inefficiency and identify improvement initiatives at each plant. Identified improvement initiatives and their progress are shared through the company-wide Environment & Energy Working Level Meeting, and each plant carries out energy efficiency activities suited to its own characteristics. In 2025, the Kimcheon Mill built an office building heating system that utilizes steam condensate, which is expected to deliver annual energy savings of approximately 220 kW and cost savings of approximately KRW 63 million. The company also continues to replace equipment with high-efficiency alternatives—including air handling unit inverters, premium motors, and compressor fan inverters—to improve energy efficiency at the equipment level.

1) The 2026 target has been increased from the 2025 level to reflect the restart of the TM7 production line at the Kimcheon Plant.

Generation of Renewable Energy

Yuhan-Kimberly’s Choongju Mill operates its own renewable energy generation facilities to reduce greenhouse gas emissions. Since 2020, the plant has self-generated a portion of its on-site electricity through solar power facilities, generating a total of 126.6 MWh of renewable energy in 2025. Yuhan-Kimberly will continue to review the feasibility of introducing renewable energy facilities at each site, taking operating conditions into account.

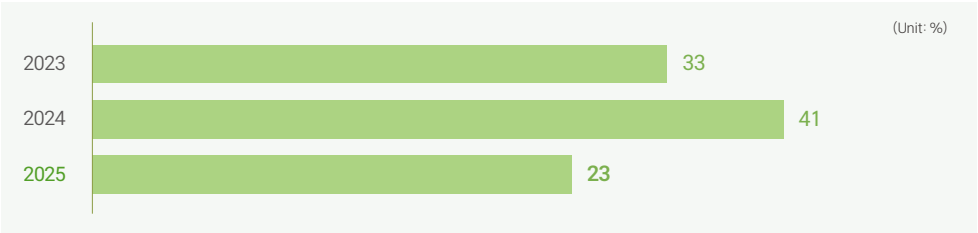
Renewable Energy Generation Volume



Investment in Environmental Performance Improvement

Each year, when establishing its capital expenditure (CAPEX) plan, Yuhan-Kimberly separately reviews investment items aimed at improving environmental performance. In principle, the company has set a standard of allocating at least 30% of its total budget to environment-related investments such as energy efficiency improvement, greenhouse gas reduction, and pollutant reduction. However, the share of environmental investment came to 23% in 2025, as manufacturing facility improvement investment related to the relocation of Taejon Mill equipment and the restart of Kimcheon Mill’s TM7 line was concentrated during the year. This represents a relative shift in ratio due to the expansion of large-scale general facility investments for business transition, rather than a reduction in the total amount of environmental investment; major investments of KRW 3 billion or more undergo ESG screening to verify environmental and social impacts in advance. The ESG Committee also reviews the appropriateness of the environmental investment ratio and investment status based on technological, financial, and regulatory risk.

Three-Year Trend in the Ratio of Investment in Environmental Performance Improvement Against Total CAPEX



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Greenhouse Gas and Energy

Measuring and Managing Scope 3 Emissions

To extend its climate change response across the entire supply chain, Yuhan-Kimberly is building a system to calculate its supply chain greenhouse gas emissions. In 2023, the company established the foundation to calculate supply chain emissions, and has since continued to review its operating methods and data management systems to improve the reliability and usability of its calculation results. In 2025, the company conducted a comprehensive review to advance its calculation framework by ensuring alignment with global calculation guidelines, category-specific calculation standards, and the quality and management of raw material data. Accordingly, the focus was placed on restructuring the calculation foundation and optimizing operations rather than on emissions calculations. Based on the improved calculation system, Yuhan-Kimberly plans to calculate supply chain emissions and expand greenhouse gas reduction activities across the supply chain by linking it with carbon intensity management per raw material, sustainable material development, and supplier management indicators.

Supply Chain Carbon Management

Yuhan-Kimberly aims to minimize carbon emissions across its operations, including the transportation and distribution stage (Scope 3), which is excluded from the reporting requirements under the Emissions Trading Scheme. Since 2009, the company has been working to minimize the carbon footprint associated with product transportation and distribution. In particular, following the establishment of the “Eco-Friendly Logistics Vision 2030” in 2019, it has been actively reducing greenhouse gas emissions in the logistics sector by streamlining and optimizing its systems and networks. Moving forward, Yuhan-Kimberly will continue to implement policies such as introducing electric cargo vehicles, improving pallet loading efficiency, and establishing an electronic proof-of-delivery system to further reduce greenhouse gas emissions.

Logistics Efficiency and Reduction of Transportation Emissions

Yuhan-Kimberly is working on optimizing its logistics network to reduce greenhouse gas emissions during transportation. In 2024, the company consolidated its nationwide logistics hubs to reduce the volume and distance of shipments between plants and distribution centers, and in 2025, it improved delivery methods and warehouse operation at each plant based on this consolidated logistics network. In 2025, the company expanded direct deliveries to customers from its Kimcheon, Taejon, and Choongju plants, reducing unnecessary logistics activities through improvements in warehouse operations and transportation routes. At the company-wide level, logistics hubs and delivery routes were also readjusted and vehicle operations were improved to transport the same volume more efficiently. These efforts help reduce energy use and greenhouse gas emissions in transportation by reducing shipment volume routed through distribution centers, cutting duplicate transportation, and increasing vehicle efficiency.

2025 Logistics GHG Reduction Projects

Classification	Expansion of Direct Delivery	Adjustment of Logistics Network	Improvement of Warehouse Operation	Improvement of Transportation Methods
				
Key Improvement Activities	Expansion of direct delivery from the Kimcheon, Taejon and Choongju Mills	Adjustment of distribution center operations and consolidation of select hubs	Improvement of warehouse storage space, shipping routes, and loading methods	Review of delivery routes and vehicle operations
Expected Benefits	Reduction of goods routed through distribution centers	Reduction of duplicate transportation and improved storage and delivery efficiency	Improved vehicle efficiency and reduced waiting and transit times	Reduced transportation costs and lower energy use

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Biodiversity

Biodiversity is an essential foundation for the coexistence of humanity and nature, yet habitat destruction and climate change are driving its rapid degradation. In response, the global community is developing frameworks for natural capital conservation, such as GBF, TNFD, and SBTN. As a company whose core business relies on forest resources, Yuhan-Kimberly is following this trend by conducting a TNFD-based biodiversity impact assessment. Through this assessment, the company identifies risks and opportunities related to natural capital and promotes improvement activities to address the issues identified, aiming to reduce both its dependence on natural capital and its negative impacts. Yuhan-Kimberly also continues to pursue ecosystem conservation activities in partnership with local communities, laying the groundwork for nature and business to grow sustainably together.

TNFD-Based Process to Identify Risks and Opportunities

TNFD-Based Process to Identify Risks and Opportunities

Yuhan-Kimberly conducts biodiversity assessments to understand how its business activities affect natural capital and biodiversity, and how dependent its operations are on nature. Following a pilot assessment at the Kimcheon Mill in 2023, the scope was expanded to the Taejon and Choongju Mills in 2024, gradually advancing its evaluation framework. In 2025, Yuhan-Kimberly participated in a global natural capital assessment conducted by its shareholder, Kimberly-Clark, incorporating results based on the LEAP approach by the Taskforce on Nature-related Financial Disclosures (TNFD). The assessment covered Yuhan-Kimberly’s three manufacturing plants: Kimcheon, Taejon, and Choongju. Following the LEAP approach, the assessment identified the interface between the business and nature (Locate), evaluated the impacts and dependencies (Evaluate), and derived the related risks and opportunities (Assess).

Site-Level Impact and Dependency Assessment Results

The 2025 assessment was conducted using spatial data-based tools provided by international organizations and research institutions, such as IBAT, WWF Biodiversity & Water Risk Filter, and WRI Aqueduct. Using these tools, the company reviewed nature-related sensitivity factors for each plant in Kimcheon, Taejon and Choongju, including biodiversity importance, ecosystem health, ecosystem service provision importance, and water risk. Consistent with the previous year’s assessment, the 2025 assessment identified pollutant emissions and water-related items as key nature-related impact and dependency factors. In terms of site-level impact, the Taejon Mill showed relatively high scores in non-greenhouse gas air pollution and greenhouse gas emissions, the Kimcheon Mill for soil pollution and non-greenhouse gas air pollution, and the Choongju Mill for non-greenhouse gas air pollution. In terms of dependency, all three plants showed relatively high dependence on water availability. Based on these findings, Yuhan-Kimberly plans to continue promoting pollution prevention activities and water management.

TNFD’s LEAP Approach



Results of Impact and Dependency Assessment of Each Plant

Low risk Moderate High risk

Category	Kimcheon Mill	Taejon Mill	Choongju Mill
Impact			
Land use			
Soil pollution			
Non-greenhouse gas air pollution			
Water pollution			
Waste			
Greenhouse gas emissions			
Water use			
Dependency			
Water availability			
Water quality			
Ecosystem health			

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Biodiversity

Biodiversity Assessment

Key Natural Capital Risks

In 2025, Yuhan-Kimberly identified its key nature-related risks by comprehensively considering the impact and dependency scores calculated during the dependency/impact assessment (Evaluate) stage with peer benchmarking, external assessment and disclosure frameworks, and internal review criteria. The analysis identified soil pollution, non-greenhouse gas air pollution, and greenhouse gas emissions as the key nature-related factors that could translate into business risk for the company. Soil pollution and non-greenhouse gas air pollution relate to waste and air pollutants generated during manufacturing processes, which can negatively affect soil ecosystems and air quality, leading to transition risks such as remediation costs, fines, legal liabilities, and reputational damage. Greenhouse gas emissions, generated through fossil fuel and electricity use, can exacerbate long-term physical risks by contributing to rising temperatures and biodiversity loss. Additionally, transition risks—such as increased operating costs—may arise during the response process, for instance, through the adoption of low-carbon technologies.

Direction of Response

Yuhan-Kimberly manages the nature-related impacts and risks identified through assessments by integrating them into its existing environmental management activities, pursuing site-level improvement initiatives following the AR3T principles recommended by SBTN and TNFD—Avoid, Reduce, Regenerate & Restore, and Transform. As part of their avoidance and transformation efforts, the Kimcheon and Taejon plants use FSC® CoC-certified materials sourced from sustainably managed forests. They are also exploring non-wood alternatives, such as bamboo, to diversify raw material sources. The Taejon Mill has also carried out an equipment improvement project that reduces the raw material used in the nonwoven fabric process by 20% while maintaining the same quality, and is producing selected products using biomass raw materials to improve product quality and reduce greenhouse gas emissions. In terms of reduction, the Kimcheon Mill is improving pulp use efficiency through the Enzyme Project, the Taejon Mill is carrying out a project to reduce its total water use by 2030 compared to the 2015 baseline, and the Choongju Mill is strengthening resource circulation by leveraging the circular resource recognition system. Going forward, Yuhan-Kimberly plans to conduct climate and nature scenario analyses targeting major climate and nature-related risks and to develop more detailed management measures for key priority areas.

Enzyme Project

Pulp fibers used in toilet paper production are classified into long fibers and short fibers based on their length. Long fibers are an important raw material for ensuring product strength, primarily derived from coniferous trees in northern boreal forests. Since the northern boreal forests are critical ecosystems for carbon storage and biodiversity conservation, managing long fiber usage is important not only for cost reduction but also for easing the burden on forest resources. The Kimcheon Mill has developed a process that uses enzymes to enhance bonding strength between pulp fibers, compensating for the strength limitations of short fibers. This allows Yuhan-Kimberly to expand the proportion of short fibers used while maintaining product quality, and the plant has been gradually commercializing this process since May 2025. Once completely commercialized across all production lines, the process is expected to save approximately KRW 2.8 billion annually, including reductions in raw material and energy costs.

Spotlight



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Biodiversity

Biodiversity Conservation Activities

One Company, One Agreement on the Elimination of Invasive Alien Species

Since signing an agreement with the Wonju Regional Environment Office in 2014 to remove invasive alien plant species, the Choongju Mill has carried out ongoing eradication activities around the plant site. These efforts have focused on fully eliminating invasive species such as Symphyotrichum pilosum (hairy white oldfield aster), bur cucumber, and giant ragweed. In addition, the plant has conducted education and outreach programs to raise awareness of the ecological risks posed by invasive alien plants and encourage broader participation in removal efforts.



Choongju Mill’s activities to remove invasive alien plants

Jubfting in Donggang

Under an MOU with the Wonju Regional Environment Office, the Choongju Mill plans to carry out environmental cleanup activities at least once a year in the Donggang River Basin Ecological and Landscape Conservation Area through 2027. In 2025, as part of the agreement, the plant held a “jubfting” activity on the Donggang River with 25 employees participating, collecting waste from the riverside areas to help preserve the riverside ecosystem and boost biodiversity.



Choongju Mill’s Jubfting in Donggang

Full Charge Day

To help conserve the local ecosystem and expand employee participation in environmental activities, the Taejon Mill held an environmental cleanup volunteer activity at Daechong Park in 2025. The Full Charge Day activity focused on collecting litter and abandoned waste along the park’s walking trails and green spaces, with approximately 20 employees participating. The activity also served as an opportunity for employees to directly experience the importance of environmental conservation through hands-on participation in community activities, and to spread a culture of sustainable environmental practice shared between the business site and the local community.



Taejon Mill’s Full Charge Day

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Business Structure and Key Achievements

Based on the corporate vision of “We Act for Life-Health-Planet,” Yuhan-Kimberly organizes and manages its business portfolio by distinguishing between core businesses and growth businesses. Core businesses are defined as businesses that have secured a leading market position and differentiated competitiveness, while strategically adjacent business areas with high growth potential that respond to new consumer demands based on the capabilities of core businesses are classified as growth businesses. Yuhan-Kimberly is strengthening the market position of its existing core businesses while identifying new demand driven by demographic and lifestyle changes, nurturing future core businesses as mid-to-long-term growth engines.

Strategy and Key Achievements for Core Businesses

Yuhan-Kimberly classifies product lines with differentiated competitiveness as core businesses and continues its efforts to strengthen its market competitiveness. In 2025, it strengthened product innovation and brand competitiveness across its core businesses in response to market changes such as declining birth rates, aging population, growing consumer interest in health and safety, and stricter hygiene and safety standards at industrial sites.

5 Core Business Areas

Business Area	Key Products	Brand
 Baby care	Baby diapers, pant-type diapers, bed-wetting panties	Huggies, Goodnites
 Feminine care	Sanitary pads, panty liners, overnight panties, tampons, feminine cleanser, etc.	Goodfeel, White
 Family care	Toilet paper, facial tissues, towels	Kleenex
 Aging care	Incontinence liners/pads, underwear, adult diapers	Depend
 B2B products	Protective clothing, wipers, gloves, work boots, masks	Kimtech, Kleenguard, Wypall

Baby Care Products

Despite signs of a potential rebound in the baby care market driven by the increase in births in 2025, price competition has intensified with the expansion of imported brands based on overseas production. In response, Huggies strengthened its quality competitiveness based on a domestic production system, while promoting size segmentation based on growth stages and body characteristics, launched products tailored to seasonal demand, and expanded the Naturemade line incorporating plant-derived materials. In addition, the company broadened product choices and strengthened premium product competitiveness through the introduction of HUGGIES Skin Essentials and the expansion of gender-specific products.

Feminine Care Products

In the feminine care market, brand trust and product differentiation are becoming increasingly important. Brands like Goodfeel and White have responded to the segmented consumer demand by launching new and seasonal products—including GOODFEEL Sensitive Skin, WHITE Zero Feel, GOODFEEL Summer Edition, and WHITE Stay Cool— all based on quality control systems rooted in domestic production. Daldabang, a women’s wellness platform, has grown as a digital customer touchpoint, recording 2.3 million cumulative downloads and 3.4 million annual visitors, and expanded its digital customer base starting in 2025 when minors could register as members.

Family Care Products

The toilet paper market continues to see stable demand, but growth is limited as the market matures. To meet the demand for sustainable products and premium options, Yuhan-Kimberly has differentiated its products and strengthened its portfolio. The company is translating sustainability into product competitiveness by using FSC-certified raw materials for all Kleenex toilet paper produced at the Kimcheon Mill and expanding packaging with higher recycled plastic content. It also expanded its range of products, including paper wet wipes and biodegradable wet wipes, while strengthening premium offerings with enhanced consumer convenience. As a result, Yuhan-Kimberly maintains its No. 1 position in the domestic markets for toilet paper, facial tissue and paper towel, solidifying the competitiveness of its family care business.

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Business Structure and Key Achievements

Strategy and Key Achievements for Core Businesses

Aging Care Products

Amid a growing elderly population and an increasing active senior demographic, the growth potential of the aging care market is becoming more prominent. Yuhan-Kimberly is identifying latent demand and driving category growth by focusing on everyday inconveniences such as incontinence, which is experienced by 1 in 3 women aged 35 and above. In 2025, the company expanded product choices by launching winged liners capable of addressing both mild incontinence and discharge. Depend, Korea’s first aging care brand for adults, maintains its No. 1 market share in incontinence and adult diapers, while sustaining stable growth.

B2B Industrial Hygiene Products

The B2B market is growing, particularly in industries where hygiene, safety, and process management are critical, such as semiconductors, pharmaceuticals and biotech, and defense. Yuhan-Kimberly has strengthened its B2B portfolio to match management standards for each site, based on specialized brands like Kleenex, Kleenguard, Wypall, and Healders. The company also broadened its corporate consumer touchpoints by expanding key distribution channels such as strategic distributors, MRO companies, and e-commerce platforms. As a result, the sale of Kleenex DryCell roll hand towels grew 6% year-on-year in 2025, supporting the growth momentum of the B2B business.

Strengthening B2B Competitiveness with Research-Based Hygiene Solutions

Spotlight

Yuhan-Kimberly’s B2B business goes beyond product supply, using research to identify hygiene risks in real-world environments and provide tailored solutions. In the public restroom sector, the company worked with a Kookmin University research team to analyze the droplet dispersion and the potential for surrounding contamination when a public restroom toilet is flushed, confirming the possibility for contact contamination on items such as open tissue dispensers and toilet seats. In response, Yuhan-Kimberly proposed toilet seat cleaners and Kleenex Center Pull toilet paper that reduces toilet paper exposure and uses sealed containers as solutions. In the food service segment, the company conducted joint research with an Inha University research team to confirm the risk of bacterial survival and growth on reusable dishcloths, and provided on-site hygiene management solutions and usage guidance centered on Wypall food service wipers. Through these efforts, Yuhan-Kimberly contributes to improving the hygiene management standards for its corporate consumers and secures differentiated competitiveness in its B2B solutions business.

Public Restroom Hygiene Risk Research

Dishcloth Hygiene Research

Research-Based Solutions to Reduce Public Restroom Hygiene Risks



Experiment of droplet dispersion during toilet flushing



Hygiene management solution : Kleenex Center Pull toilet paper, toilet seat cleaner

Comparison of Hygiene between Methods for Washing Reusable Dishcloths¹⁾

	Water	Detergent	Boiling 5 min	Boiling 15 min
Microorganisms detected				

1) Source : Inha University 2025 Yuhan-Kimberly Industry-Academia Research Report on Evaluation and Improvement of Reusable Dishcloth Hygiene
Test conditions : After applying 10,000 CFU E.coli solution to samples (2cm x 2cm) and washing it by water, detergent, and boiling, dishcloths in an undried state were cultured and measured.

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Business Structure and Key Achievements

2025 Key New Products of Five Core Business Areas

Business Area	Product Line	Product Name	Description	Image
Baby & Child Care	Diapers and Panties	HUGGIES Skin Essentials	· End of worries about sensitive baby skin— super soft derma diapers	
		HUGGIES Naturemade Summer	· Highly breathable, cool diaper made with natural materials that are gentle on skin	
		HUGGIES Naturemade Pure Cotton Summer	· Premium diaper that combines the breathability, coolness, and absorbency of Huggies Summer with a 100% pure cotton inner cover for extra skin comfort	
		HUGGIES Magic Comfort Summer	· 30% thinner with a diaper interior temperature 3°C cooler; features waist air holes and stronger absorbency, ideal for summer (shared across all summer products)	
		HUGGIES Max Dry Air	· Combines Huggies' top-rated Max Dry absorbency with light, breathable airflow for a light, dry-feeling diaper	
		Huggies Naturemade	· 360° Naturemade Care with 300 air-absorbing holes for a gentle, dry, comfortable fit · Huggies' flagship nature-inspired diaper offering gender-specific fit solutions through Gender Fit Care	
		HUGGIES Naturemade Bamboo	· 360° Naturemade Care with 300 air-absorbing holes for a gentle, dry, comfortable fit · Premium nature-inspired diaper providing gentler and softer care of baby's skin	
		HUGGIES Max Dry	· Up to 99% leak protection with Max Absorb Tech and 300 rapid-absorption pockets for strong, fast absorbency · Huggies' No. 1 absorbency diaper offering gender-specific fit solutions through Gender Fit Care	
Feminine Care	Sanitary Pads	GOODFEEL Sensitive Skin	· Low-irritation, derma-tested pad made with soft materials that reduce skin friction · Strengthens product credibility for sensitive skin with Dermatest Sensitive Skin certification · Expands consumer choice with a full lineup including day pads, night pads, wearable overnight panties, and pantyliners	

Business Area	Product Line	Product Name	Description	Image
Feminine Care	Sanitary Pads	WHITE Zero Feel	· Features a flexible AirFlex absorbent core for greater freedom in movement during menstruation · Differentiated in the market as the "sanitary pads for workout" among young, active female consumers · Expands product categories from pads to overnight panties, panty liners, and tampons	
		GOODFEEL Summer Edition & WHITE Stay Cool	· Season-specific products designed to ease the discomfort of menstruation during the hot summer months · GOODFEEL Summer Edition: Enhanced breathability for greater convenience in summer · WHITE Stay Cool: a mild, low-irritation cooling sensation for added comfort	
Family Care	Facial Tissue	Kleenex Pure Cotton 4-Ply Bathroom Tissue	· Kleenex's first 4-ply toilet paper, a premium product with enhanced softness and thickness	
		Kleenex Ultra Clean 4-Ply Bathroom Tissue	· Kleenex's first 4-ply toilet paper, a premium product with enhanced thickness and durability · Resistant to tearing even when wet, making it convenient for use after a bidet	
		Kleenex Easy-Breathing Facial Tissue	· Thick 3-ply fabric for a soft, stable feel · Contains a refreshing menthol scent that helps clear stuffy noses and ease breathing during use	
Aging Care	Incontinence Liners	Depend Style Daily Liner Wings	· Multi-functional product that manages both incontinence and discharge at once	
	Incontinence Pads	Depend Style Daily Pad	· Slim, discreet fit that eases the burden of daily wear · Absorbency that reduces leak concerns, addressing mild incontinence and discharge	
B2B	Gloves	Ansell MICROFLEX Examination Gloves	· Backed by data showing protection against 20 chemicals for over 240 minutes	
	Toilet Paper	Kleenex Center Pull Premium 800 Sheets	· Reduces contamination risk with only 2% of the toilet paper surface exposed ¹⁾ · Alleviates toilet clogging risk with 2~3x faster water dissolution · Reduces usage by 50% or more with single-sheet dispensing	

1) Compared to the estimated exposed surface area during aerosol generation after toilet flushing to that of jumbo roll toilet paper

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Business Structure and Key Achievements

Growth Business Development Strategy and Key Achievements

Yuhan-Kimberly defines growth businesses as adjacent business areas capable of creating new demand driven by demographic and lifestyle changes based on the brand, technology, and distribution capabilities of its core businesses, and is developing them as its next-generation growth engines. The company is expanding into skincare, child care, cleaning products, and wet wipes to address growing demand for health, hygiene, safety, and personalized products. At the same time, it is strengthening the foundation for its next phase of growth through new product launches and entry into new markets.

Growth Business Areas

Business Area	Key Products	Brands
Child Care Products	Accessories such as baby bottles and pacifiers	Greenfinger, BEBE GROW
Skin Care Products	Sunscreen, skin toner, lotion	Greenfinger, Forest Seoul
Cleaning Products	Cleaning wet wipes for home and B2B	Scott
Wet Wipes	My Bidet, baby wet wipes, general wet wipes	Kleenex, Huggies, Greenfinger

Child Care Products

Greenfinger BEBE GROW strengthens product safety and consumer trust through a fully domestic production system across its entire product line. In 2025, the company launched a new PA baby bottle made with plant-derived materials, and expanded its business into weaning products and oral care products for older children based on the growth of its baby bottles and pacifiers.

Skincare Products

Forest Seoul is strengthening its brand competitiveness in the clean beauty market among consumers in their 20s and 30s, built on clean ingredients and clinically backed high efficacy. In 2025, the company expanded its sales presence across both online and offline channels, including Olive Young’s Clean Beauty zone. Driven by growing sales of core products such as its Phytan-Cica Serum, Gyltamin Serum, and Watery Essence Sun Cream, sales in major channels increased by more than 47% compared to the previous year.

Cleaning Products

Yuhan-Kimberly is strengthening its three core product lines—glass and mirror cleaning wipes, disposable dish scrubbers, and dehumidifiers—centered on the Scott brand. In 2025, dehumidifier sales grew more than 20% year-on-year, driven primarily by pouch-type dehumidifiers that are easy to use and dispose of. The company also expanded into vehicle care with the launch of a car-washing wet wipe.

Toilet Wet Wipes

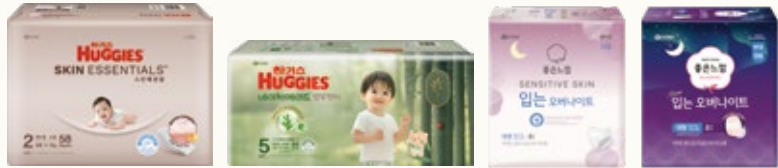
Yuhan-Kimberly is strengthening its competitiveness in the toilet wet wipe market, leveraging consumer benefits and product technology. It has introduced products that support thorough hygiene after bathroom use, while continuously developing differentiated fabrics with improved flushability, enhancing usability and product reliability. By expanding its product lineup to address diverse consumer needs, Yuhan-Kimberly has maintained its position as the market leader, with 2025 sales growing 6.3% compared to the previous year.

Premium Material Competitiveness with Equipment for Next-Generation Non-Woven Fabric

Yuhan-Kimberly is strengthening its production capabilities for high-value-added premium non-woven fabric using next-generation non-woven equipment. This equipment enables the stable production of dual-structure fibers and ultra-fine fibers, making it possible to produce fabrics that are softer and thinner while maintaining superior strength. The company also produces hydrophilic materials in-house with surface treatment equipment, reducing reliance on outsourcing and enhancing its materials tailored to the specific needs of each product.

Building on this, Yuhan-Kimberly has expanded its material portfolio to include eco-friendly non-woven fabric, high-strength non-woven fabric, cushion-enhanced non-woven fabric, and hydrophilic non-woven fabric for absorption and diffusion. These fabrics are applied across a wide range of product lines—including baby diapers and pants, feminine sanitary pads and pants, adult underwear, and flushable kitchen towels—contributing to product innovation and stronger competitiveness.

Spotlight



Key products where next-generation non-woven fabric is used

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Business Structure and Key Achievements

2025 Key New Products by Growth Business Area

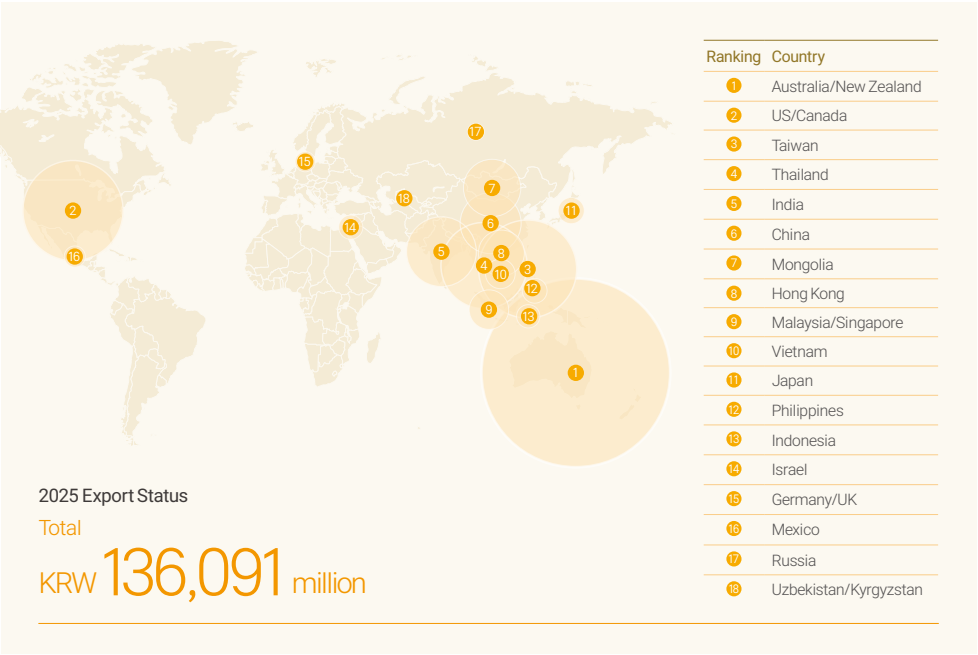
Business Area	Product Line	Product Name	Description	Image
Baby Care Products	Baby Bottle	Greenfinger Pure Baby PA Bottle (Malkong Edition)	- Castor bean-derived material—a plant-based raw material that reduces carbon emissions by 80% compared to conventional plastics—applied to 45% of the body of the bottle¹⁾ - Enhances safety with no microplastics detected and captures the energetic spirit of Malkong, the Year of the Red Horse mascot	
	Toothbrush for Kids	Greenfinger My Kids Pouch Pack Toothbrush	- Designed specifically for children and tailored to each stage of growth - Enhances both usability and environmental performance with a hygienic, convenient pouch-type package that cuts unnecessary plastic and uses recycled materials	
	Toothpaste for Kids	Greenfinger My Kids High-Fluoride Toothpaste	- Contains 1,450ppm fluoride and plant-derived ingredients to strengthen cavity prevention and safety during a child's growth years - Uses paper packaging instead of vinyl to reduce environmental impact: a reassuring toothpaste certified by MomGuide Clean and Vegan standards	
Skin Care Products	Greenfinger	Greenfinger Sanrio Suncare	- Suncare product combining the safety and reliability of Greenfinger SUN with the character appeal of Sanrio's Cinnamoroll - Enhances collectible appeal among children and younger parents with a lineup of sunscreen, sun cushion, sun pact, and sun stick	
	Forest Seoul	Forest Gyultamin Vita-Toning Serum	Contains a Gyultamin Toning Complex and Active Glutathione, helping deliver clear, glass-like radiant skin	
		Forest Gyultamin Vita-Toning Gel Serum Pads	- A gelling serum pad containing Gyultamin Toning Complex and active glutathione - Delivers a generous amount of serum to care for skin tone and texture	
		Forest Gyultamin Vita-Toning Tone-Up Sunscreen	Lightweight formula with a toning effect that helps maintain clear, even skin tone	
Cleaning Products	Cleaning Wet Wipes	Car Wash Wet Wipes	- Delivers 2.8 times²⁾ the cleaning power of conventional cleaning wipes with an ultra-fine microfiber fabric - Uses 11-stage purified water and contains none of 11 designated harmful substances, ensuring clean use	
Wet Wipes	Huggies Wet Wipes	Huggies Pure Green Biodegradable Wet Wipes	100% biodegradable³⁾ wet wipes containing only 3 essential ingredients	
	Greenfinger Wet Wipes	Greenfinger Embossed Disinfecting Wipes	MFDS-approved disinfecting wipes that eliminate 99.9%⁴⁾ of harmful bacteria	

1) The effect of carbon emission reduction is based on a comparison between conventional polyamide material and the said material conducted by the raw material supplier, calculated on the basis of emissions from the raw material extraction to the raw material production stages.
2) Based on EL305 test results, cleaning power is 2.8x stronger compared to the company's Scott Multi-purpose Wet Wipes
3) 100% biodegradation confirmed within 150 days at 58°C compared to the standard material (cellulose) in accordance with KS M ISO 14855-1 (tested by KOTITI)
4) Based on 1-minute contact test results for sterilizing and disinfecting functional products by the Korea Testing & Research Institute, targeting E. coli, Pseudomonas aeruginosa, Salmonella, Klebsiella pneumoniae, and Vibrio parahaemolyticus.

Overseas Market Entry and Growth

To meet the demand for premium products across the Asia-Pacific region, Yuhan-Kimberly develops and manufactures high-quality products and supplies them to key affiliates in Australia, Taiwan, China, and Hong Kong. Greenfinger sells skincare and baby bottle products in Vietnam, China, and Taiwan, while Huggies, White, Goodfeel, and Kleenex each rank among the top one or two brands in their categories in Mongolia's premium market. In 2025, the company expanded its business overseas, including exporting bidet wet wipes to the U.S. market, resulting in a 13.3% increase in export value compared to the previous year. It has also begun actively pursuing overseas markets by directly connecting its own brands with local distribution networks. Greenfinger BEBE GROW signed an exclusive nationwide supply partnership with a local specialist company in Vietnam and officially entered the ASEAN market. Within a year of launch, it achieved a No. 3 market share among major local online retailers, along with 50-fold sales growth compared to the previous year. Furthermore, skincare brand, Forest Seoul, is expanding its sales base into key markets including China and the United States, driven by growing global demand for K-beauty. Yuhan-Kimberly plans to continue responding to shifts in the domestic market and strengthening new growth engines through direct overseas market entry and brand expansion.

2025 Key Export Status



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End-to-End Business Innovation

Yuhan-Kimberly is driving innovation across the entire business process—from product development, production, and quality management to distribution and consumer touchpoints. The company strengthens product and brand competitiveness and improves its production base and consumer touchpoints in response to shifting consumer demand and market conditions. These efforts enable Yuhan-Kimberly to solidify its market position in its core businesses, identify new growth opportunities, and drive sustainable growth and improved profitability.

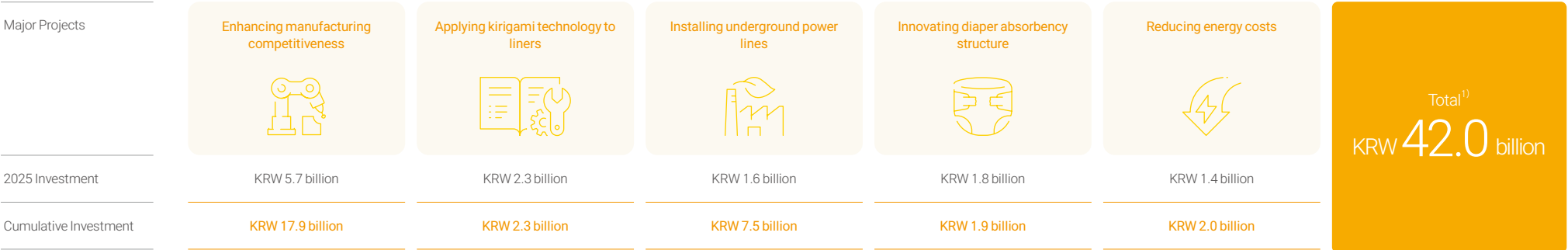
Strengthening Manufacturing Competitiveness

Yuhan-Kimberly is pursuing a manufacturing competitiveness enhancement project to improve production efficiency and stably restructure its production base. This project aims to retire low-efficiency equipment and strategically redeploy core production equipment. In 2025, the company completed the retirement of a total of three equipment assets and the first machine relocation at the Choongju and Taejon Mills, with approximately KRW 38.7 billion in global investment funding allocated. The project is being carried out in phases, with an expected completion date of 2026, and Yuhan-Kimberly is streamlining its operational structure and building the foundation for mid-to-long-term cost competitiveness.



Smart Manufacturing

2025 Capital Expenditure



1) Includes amounts from other items in addition to the five categories listed

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End-to-End Business Innovation

Stronger Consumer Touchpoints Based on Consumer Platforms

Yuhan-Kimberly is expanding direct consumer touchpoints through its own platforms and D2MP channels. Cumulative membership across its key platforms, including momQ and Daldabang, has exceeded 2.54 million, and these platforms have grown into digital customer touchpoints that go beyond product sales to provide life-related information and services on topics such as childcare and women’s health.

momQ: An Essential Childcare Platform

momQ

momQ is a childcare platform with over 2.2 million cumulative members as of the end of 2025. Through momQ, Yuhan-Kimberly operates parenting experience programs and events, offering consumers opportunities to engage with a variety of brands. The platform continues to expand services that enhance consumer convenience and engagement, including a mileage program, community features, parenting information, and an AI Fitting Room. In 2025, the number of new members reached 63% of the total number of births that year, expanding its consumer base as an essential platform for parenting life.

Daldabang: A Women’s Wellness Platform

Daldabang

Daldabang is a women’s wellness platform that has recorded 2.3 million cumulative downloads and 3.4 million annual visitors within five years from its launch. Beginning in 2025, membership was opened to minors under the age of 14, expanding its services to support menstrual cycles and women’s health from the time of first menstruation. With 120,000 new members and 2.5 million brand engagement activities the same year, Daldabang broadened its consumer touchpoints as a women’s health management platform.

D2MP Channel Expansion

Yuhan-Kimberly is expanding its D2MP (Direct to Marketplace) channels by operating brand stores on major online marketplaces including Naver, Kakao, and GMarket. This has allowed the company to secure direct consumer touchpoints on external platforms and strengthen a sales base where it directly manages product information and promotions. In 2025, D2MP channel revenue grew 18% compared to the previous year, and the number of brand-specific stores on Naver increased to six.

Open Innovation

Yuhan-Kimberly pursues innovation beyond its existing business areas and identifies new business opportunities through collaboration with external partners. In 2025, the company partnered with the Korea Agriculture Technology Promotion Agency, the Gyeonggi Center for Social Economy, and the Ministry of SMEs and Startups to carry out open innovation projects with social enterprises and startups. Together with the Gyeonggi Center for Social Economy and social enterprise Me&D, Yuhan-Kimberly developed a prototype aimed at improving quality of life for men experiencing incontinence, a project that went on to receive a citation from the Governor of Gyeonggi Province. Through the Ministry of SMEs and Startups’ “2025 Public-Private Open Innovation” program, the company co-developed a smart care solution for infant and toddler health management with startup Amplie, filed a joint patent, and received the Minister’s Award from the Ministry of SMEs and Startups. In addition, Yuhan-Kimberly is working with the Korea Agriculture Technology Promotion Agency to develop women’s health products using natural ingredients, expanding its scope of product innovation by combining external technology with its internal material capabilities.



2025 Open Innovation Merit Award



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Employee eXperience and Growth | Talent Management

Yuhan-Kimberly has adopted EX (Employee eXperience) as the core philosophy of its talent management, guided by the belief that the growth of each individual employee shapes the company’s sustainable future. Meaningful experience (Experience) drives employees’ voluntary engagement (EXcitement), which in turn leads to new achievements (EXcellence)—together forming a virtuous “3EX” cycle. To bring this philosophy to life, the company operates a talent management system spanning every stage of the employee lifecycle¹⁾ from recruitment through retirement, and supports every employee in reaching their full potential through fair performance evaluation and compensation.

EX (Employee eXperience) Philosophy and Goals

EX Philosophy

A belief that individual growth and self-realization drive the company’s sustainable growth and the realization of its vision

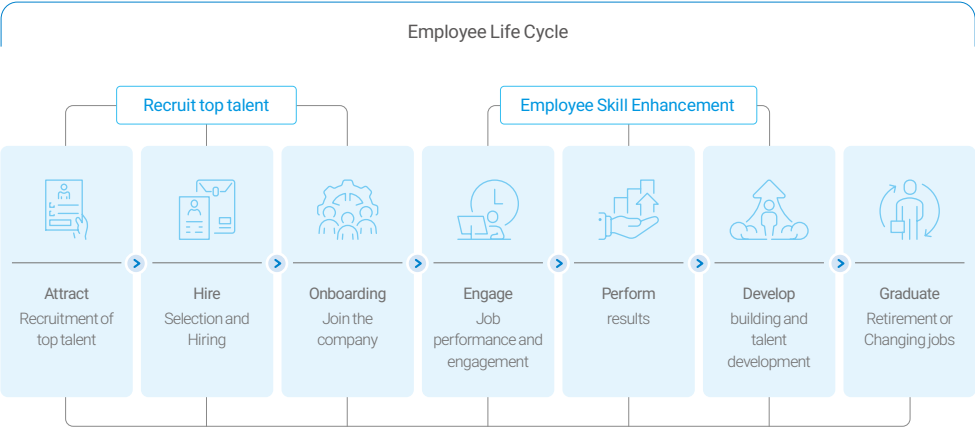
EX Goals

- Enable employees to fully engage in their work through growth experiences and capability building, driving healthy, sustainable growth for the company
- Provide opportunities for individual growth and development through diverse experiences across the employee life cycle
- Embed a culture of ownership and accountability for results, grounded in a growth mindset
- Sustain the virtuous 3EX cycle (EXperience, EXcitement, EXcellence)

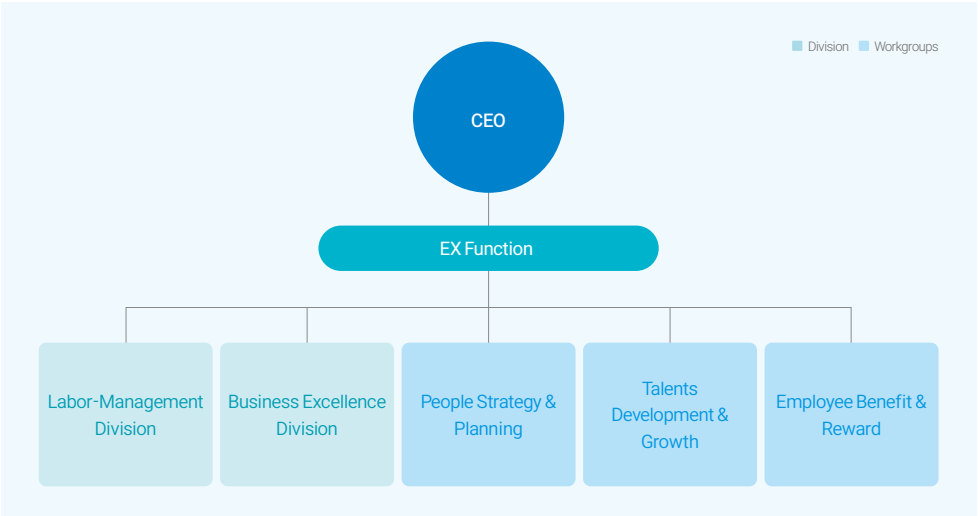
Organization to Promote Talent Management

Yuhan-Kimberly operates both a dedicated talent management organization, the EX Function, and an EX Committee. The EX Function oversees the full scope of HR functions—including recruitment, development, evaluation, and compensation—and manages related systems and operational frameworks in an integrated manner. The EX Committee, composed of senior management, is a governing body that enhances the effectiveness of EX programs and supports sound decision-making in HR matters. The Committee convenes whenever major agenda items arise, such as promotion decisions or the development of EX-related policies, reviewing proposals put forward by the EX Function before final approval by the CEO.

Employee Life Cycle



EX Function Organization Chart



1) Employee lifecycle starts even before joining the company and covers joining, onboarding, getting into the work flow and performing, achieving results, developing skills, and even after leaving the job

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Employee eXperience and Growth | Talent Management

Recruiting Top Talent

To secure talent with diverse capabilities and potential, Yuhan-Kimberly places emphasis throughout its hiring process on evaluating growth-oriented mindsets and job fit. The company’s careers website transparently discloses job information and its Employee Value Proposition (EVP¹⁾), helping applicants to fully understand the role and organizational culture before applying. In addition, the company has diversified its recruitment channels by expanding its presence on hiring platforms and strengthening its employee referral program, while enhancing direct sourcing efforts to broaden its ability to attract talent well-suited to specific roles and the company’s culture.

Onboarding Program

Yuhan-Kimberly has an onboarding program to help new employees quickly adapt to the organization and develop a sense of belonging. The program includes an introduction to company policies and regulations, an overview of each division’s business status and strategy, site tours, and a dialogue with the CEO, giving new hires a well-rounded understanding of their working environment and organizational culture. In 2025, the company introduced a new MS Office skills training session led by an external instructor, expanding the program’s scope to include practical skill-building. The training earned an average satisfaction score of 4.8 out of 5, contributing to new employees’ organizational adaptation and understanding of their roles.



2025 new employees’ business site tour

1) EVP (Employee Value Proposition): Differentiated value framework that a company offers to employees in order to attract and retain talent, encompassing compensation, benefits, career development, organizational culture, and job satisfaction.

Employee Capability Development

Yuhan-Kimberly actively supports employees’ capability development by operating a range of training programs focusing on four key areas: leadership development, job expertise, digital skills and global capability.

2025 Key Programs and Objectives by Four Areas

Four Area	Objective	Key Programs
Leadership Development	· Identify and develop next-generation leaders	· Leadership Capability Enhancement Program
	· Enhance leadership capabilities of current leaders	· New Leader Basic Training Course
Job Expertise	· Strengthen job performance capabilities and efficiency	· YK Learning, an in-house learning website · Knowledge Café
Digital Skills	· Generate purpose-driven data	· MS Copilot Course
	· Strengthen the ability to derive and apply data-based insights in practice	· MS SharePoint Course · Soomgo(Hidden Master) Special Course
Global Capability	· Ensure smooth communication with stakeholders through the cultivation of global competence	· Phone English Program

Leadership Development

Yuhan-Kimberly operates a Leadership Capability Enhancement Program and a New Leader Basic Training Course to continuously develop the capabilities of current leaders and cultivate the next-generation leaders. The Leadership Capability Enhancement Program is open to all leaders and includes situational leadership workshops, growth model-based coaching sessions, and dialogues with the CEO. Through participatory discussion, leaders share experiences and best practices with one another while strengthening their coaching capabilities. In 2025, the company ran a total of five program sessions, achieving a high participation rate of 91%. Scores improved across all four leadership-related myVOICE categories—engagement, feedback, support from leaders, and care. The New Leader Basic Training Course supports employees who have newly taken on leadership roles to understand company policies and systems and smoothly settle into their new roles. Delivered as a participatory workshop centered on real leaders’ challenges and how they overcame them, the program achieved a perfect score of 5.0 out of 5 in 2025 for both training satisfaction and perceived contribution to leadership development.

Enhancing Job Expertise

Yuhan-Kimberly operates a range of job capability development programs to strengthen employees’ functional expertise. Its self-directed learning platforms, YK Learning and Knowledge Café, support employees to engage in job-related learning at any time. In 2025, the company introduced a monthly curation system that notifies all employees new, recommended, and popular content via email, resulting in an average of over 400 views per month and contributing to greater self-directed learning engagement and stronger job expertise. Yuhan-Kimberly also has an annual graduate school support program aimed at deepening employees’ expertise and securing the company’s future competitiveness.

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Employee eXperience and Growth | Talent Management

Employee Capability Development

Strengthening Digital and Global Capability

As the growing adoption of artificial intelligence increases the importance of digital tool proficiency, Yuhan-Kimberly has introduced training programs to strengthen employees’ digital capabilities. The company offers practical, hands-on training covering AI fundamentals, prompt writing, and workflow automation, and shares internal use cases such as an information security chatbot and automated data organization tools. Internal expert-led sessions have also disseminated practical know-how on AI applications, workflow automation, and PowerPoint creation. To build global competency, Yuhan-Kimberly revamped its Phone English program, introducing AI-based learning features and an advanced business English course to strengthen employees’ practical English proficiency and readiness to engage in global business.

Training Programs at Production Sites

To strengthen the capabilities of employees at its manufacturing sites, Yuhan-Kimberly operates a separate training framework tailored to job-specific needs. In 2025, the Choongju Mill provided job expertise training programs to develop specialized personnel in quality inspection and packaging, and offered a Senior Operator Leadership course for employees serving in on-site leadership roles. Across all three manufacturing sites, employees also participated in non-job-specific programs covering business thinking skills and plant operations updates. In the digital domain, a digital transformation capability program was delivered to the entire Manufacturing Function, covering the use of various digital tools¹⁾—including data analysis, visualization, and industrial data management—to support the development of smart-manufacturing talent and on-site improvement activities.

Support for Retirees

Yuhan-Kimberly provides systematic support to help retirement mark a new beginning for employees, from pre-retirement preparation to income security in later life. Employees over 50 years old with at least one year of tenure receive pre-retirement training, professional counseling programs, and reemployment support services, along with a KRW 3 million allowance for self-development and education in the six months before retirement, helping them proactively plan their post-retirement life. The company also operates a retirement pension plan (DB/DC)²⁾ for all employees with at least one year of tenure, making annual contributions to external financial institutions to ensure stable pension payments upon retirement. In addition, a separate progressive retirement pension system applies a multiplier of up to 2x when calculating retirement benefits based on length of service, strengthening income security for long-serving employees.

1) JMP (data analysis software), Power BI (data visualization tool), and OSI PI (infrastructure solution for collection, storage, analysis, and visualization of industrial site sensor data), etc.
2) Number of employees enrolled in each type of retirement pension as of 2025: 510 for DC, 692 for DB
3) Employees with less than 3 months of service in the applicable year are excluded from performance evaluation

Performance Evaluation and Compensation

Yuhan-Kimberly operates a performance evaluation system that reflects experience, collaboration, behavior, and performance, applying it to all employees³⁾ in a manner tailored to the characteristics of each job category. Office and sales staff begin with goal-setting at the start of each year, followed by regular one-on-one meetings with leaders, feedforward conversations, and mid-year performance reviews to track performance and growth throughout the year. At year-end, employees are evaluated based on goal achievement, with fairness and consistency verified through a company-wide Performance Calibration Committee. In 2025, all employees subject to evaluation participated in performance reviews. Production staff set line-specific goals at a goal-setting workshop at the start of each year, and undergo a competency-based evaluation covering work capability, teamwork, and safety at year-end. Evaluation results inform a range of compensation and HR decisions, including performance bonuses, salary increases, promotions, and leadership appointments. In 2025, Yuhan-Kimberly restructured its existing performance-sharing program for salaried employees and introduced the Global Bonus Program (GBP). Moving away from the previous approach centered on year-over-year growth, the new program measures performance based on multiple indicators, including sales, operating profit, and market share, with leadership and employees sharing the same set of indicators.

Performance Evaluation and Compensation Process



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Employee eXperience and Growth | Organizational Culture

Grounded in trust and open communication, Yuhan-Kimberly is building an organizational culture where everyone can grow together without being left behind. To this end, the company operates a range of programs that support work-life balance and fosters an environment where every employee feels respected through initiatives that promote inclusion and diversity. Furthermore, the company also strengthens employees’ sense of belonging and community through family-invitation events and employee engagement programs, building lasting momentum for organizational growth.

Support for Work-Life Balance

Flexible Work System and Recharging Vacation

Yuhan-Kimberly has a flexible work system and a recharging vacation program to support employees’ work-life balance. The flexible work system includes staggered working hours, selective working hours, recognized working hours, and autonomous working hours, applied flexibly according to job characteristics and individual working conditions. Recharging vacation is taken on the second and fourth Friday of every month, with the annual schedule announced a year in advance to encourage employees to proactively plan their time off. In 2025, the company observed a total of 23 recharge days, and—supported by a company-wide culture, led by the CEO, that actively encourages employees to use their leave—employees took an average of 20.5 days of leave per year.

Flexible Work System

Type	Eligible Employees	Descriptions
Staggered working hours system	All administration employees (excluding field sales staff)	Allows employees to flexibly adjust their start and end times while maintaining 8 hours per day and 40 hours per week
Selective working hours	Employees who need the system due to their job characteristics	Allows flexible daily or weekly working hours within a one-month total hours framework, provided a minimum of 3 hours is worked each day
Recognized working hours	Field sales staff or employees on business trip	Deems employees to have worked 8 hours per day and 40 hours per week regardless of actual start and end times, based on a 5-day work week
Autonomous working hours	Work leaders and above	Allows employees to manage their own daily working hours independently, based on a 5-day work week

Support for Childbirth and Parenting

Yuhan-Kimberly’s childbirth and parenting go beyond statutory requirements, offering a range of support to both female and male employees to help them balance work and family responsibilities during pregnancy and childcare. Through its own programs—including prenatal leave, childbirth congratulatory payments and medical expense support, remote work option, and children’s education expense support—the company provides practical assistance across every stage, from marriage and pregnancy to childbirth, parenting, and a child’s growth. To celebrate pregnancy as an organization-wide milestone in an era of declining birth rates and to encourage active use of these programs, Yuhan-Kimberly has expanded its “Expectant Parents Meetup,” first launched at headquarters in 2009, to its production plants, research institute, and headquarters. The meetings bring together expectant mothers, male employees with pregnant spouses, and their team leaders. In 2025, two meetings were held with 10 employees participating.



2025 Expectant Parents Meeting

Childbirth and Parenting¹⁾ Support Programs

Marriage	Pregnancy	Childbirth	Childcare	Child’s growth (education)
· Marriage congratulatory payment · Fertility treatment medical expense support	· Miscarriage and stillbirth leave · Prenatal examination leave · Prenatal leave	· Childbirth medical expenses · Childbirth congratulatory payment · Childbirth gift (amount increased in 2026)	· Company support payment during parental leave · Remote work option · On-site daycare center (Taejon Mill)	· Early childhood education expenses · School entrance congratulatory payment · College admission and tuition fees · Scholarship support for children with disabilities

1) Childbirth and childcare support programs that exceed government regulations and legal requirements, or that Yuhan-Kimberly operates independently

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Employee eXperience and Growth | Organizational Culture

Support for Work-Life Balance

Designated as a Supreme Family-friendly Company

Family-friendly Company certification is awarded by the Minister of Gender Equality and Family to companies that exemplify best practice in family-friendly programs such as flexible work arrangements and childbirth and childcare support. In recognition of its wide-ranging programs and cultural commitment to supporting work-life balance, Yuhan-Kimberly has maintained its Family-Friendly Company certification continuously for 17 years since first earning it in 2008. In the recertification review in December 2025, the company scored 105.9 points, exceeding the maximum score of 100. The company was further recognized as a Leading Family-Friendly Company, an honor awarded to just 31 of 6,971 certified companies nationwide (0.4% of the total). The Leading Family-friendly Companies are selected based on a comprehensive evaluation that includes best practices and the rate of paternity leave usage, limited to the top 5% of all certified companies. Eligibility is limited to those that have maintained certification for at least 12 consecutive years and scored 85 or higher in the recertification¹⁾ review. This recognition confirms externally that Yuhan-Kimberly’s family-friendly management practices rank among the best in the industry.

Enhancing Sense of Belonging and Community

Employee Family Invitation Program

Under the belief that experiences with family enhance employees’ sense of belonging and community, Yuhan-Kimberly operates an employee family invitation program. In 2025, the company replaced its previous lottery-based selection process with a new format that offers participation to every employee who applies, and held large-scale themed events three times during the year—for Family Month, a fall outing, and Christmas. Employee participation increased by 19% compared to the previous year, with employees in their 20s and 30s accounting for 45% of participants, establishing the program as one that resonates across generations.



2025 Employee Family Invitation Program

1) Validity Period of Certification: December 2025 – November 2028

Employee Engagement Program

Yuhan-Kimberly runs a variety of engagement programs to help employees enjoy their work and build camaraderie with colleagues. In 2025, the “Yuhan-Kimberly Beauty Festa” was held at headquarters and all business sites, featuring an experience zone to celebrate the launch of three new Forest Seoul Gyultamin Vita-Toning products, along with diverse events such as a support message contest and a prize wheel. Team games and stretching classes helped strengthen employees’ physical and emotional wellbeing along with camaraderie among colleagues. The “Mind Mailbox” mental wellness program and a first-day welcome program for new employees supported psychological stability and positive organizational adjustment, while seasonal Office Clean Days, held four times a year, helped maintain a pleasant work environment. In addition, the company encourages and provides funding for activities across diverse areas including football, tennis, and volunteering. In 2025, a total of 2,734 participants (including employees active in multiple circles) took part across 50 company-wide circles, contributing to self-development and stronger internal connections.



2025 Yuhan-Kimberly Beauty Festa



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Employee eXperience and Growth | Organizational Culture

Expanding Inclusion and Diversity

Grounded in two of its four core values—responsibility and collaboration—Yuhan-Kimberly pursues an organizational culture that respects diversity and inclusion and grows together as one. Building on the Inclusion and Diversity Declaration established in 2021, the company drives company-wide activities across four key areas: culture, policy, social contribution, and business. In particular, Yuhan-Kimberly operates K-WIN, an internal women’s network, to support the career development and leadership growth of female talent, and is pursuing greater gender diversity with a target of achieving 25% female representation in both management and executive roles by 2030. These efforts have also been recognized externally, including through Yuhan-Kimberly’s membership in the UN Global Compact’s Women’s Empowerment Principles, its participation in the 2025 “Workplace for All” DEI Project, and its engagement through the Korea Diversity Council (KDC).

Major Activities in Four Areas for Inclusion and Diversity

01 Culture	02 System	03 CSR	04 Link to Business
· Launch and operation of the Inclusion & Diversity Council (2021 – present) · K-WIN, a voluntary network to foster female talent (2014 to present) · Expectant parents meeting (2009 to present)	· Goal-setting and leadership development programs for female leaders · Participation in the UNGC TGE Initiative · Regular DEI training: Inclusion Day, leadership inclusion training · Flexible work system, remote work option, family care leave, maternity protection spaces · Family-Friendly Company certification (first company certified, December 2008)	· Product donations (sanitary pads, diapers, etc.) to improve quality of life for vulnerable populations · Awareness programs (Newlywed School, menstrual health education programs) · Female NGO leadership scholarship project: Future Forum 30% Club (securing female senior leadership) · Donation programs for employees (female, senior)	· Developed products for socially vulnerable groups (ultra-small diapers for premature infants, First-time Sanitary Panties for women with developmental disabilities, Braille packaging for feminine care products) · Consumer engagement and social impact good brand activities



Declaration of Support for Enhancing Inclusion and Diversity Capabilities

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

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

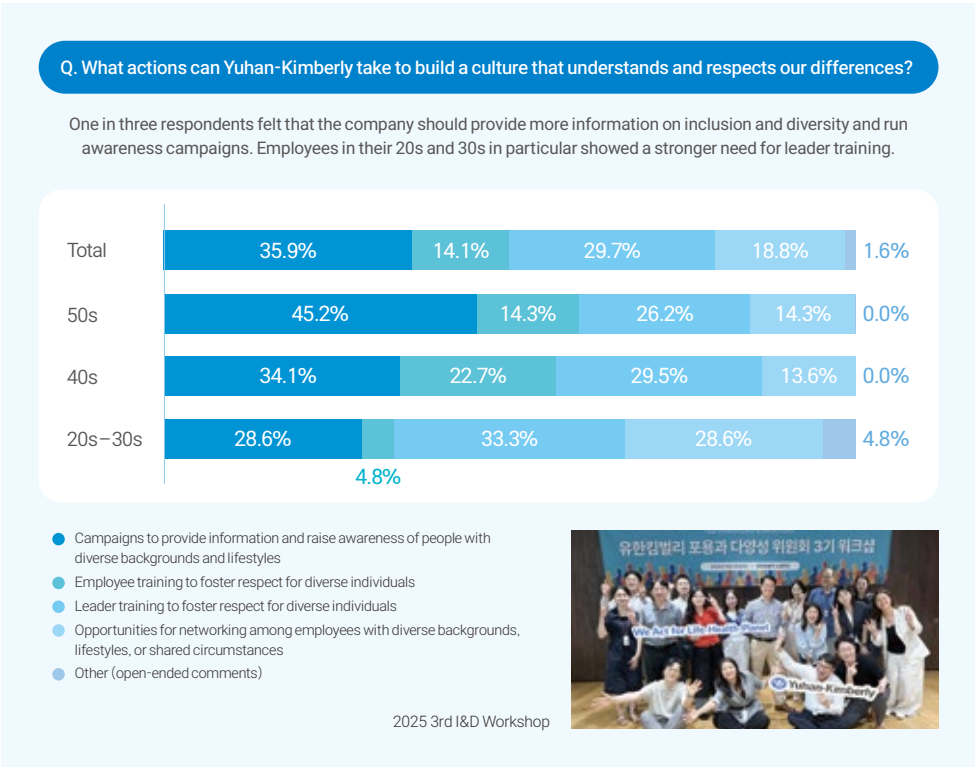
We declare that inclusion and diversity are Yuhan-Kimberly’s fundamental competitiveness and responsibility to implement. To this end, we strive as below to create an organization and corporate culture that promotes inclusion and diversity.

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

Operation of the 3rd Inclusion & Diversity Council

The 3rd Inclusion and Diversity Council worked toward the goal of “collaboration to recognize and reduce bias and discrimination,” and conducted an inclusion and diversity awareness survey in 2025. Based on responses from 128 online survey participants and 11 in-depth interviews, the council identified examples of minority experiences and areas needing improvement, publishing the findings in a report titled the “Minority Report.” Based on these findings, the Council identified future improvement initiatives to strengthen inclusion and diversity, including company-wide information sharing, awareness campaigns, and leader training. The council also held a session using “Mystery New Hire,” a board game developed by Smilegate, to help employees recognize everyday biases and raise awareness of inclusion and diversity.

Yuhan-Kimberly’s Tasks to Promote Diversity and Inclusion



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Labor-Management Relations

Yuhan-Kimberly has set “the joint realization of customer value, company value, and employee value” as the goal of its labor-management cooperation. Under the belief that improvements in employees’ quality of life lead to the company’s sustainable growth, which in turn translates into greater value for consumers, labor and management maintain close communication and collaboration. To this end, the company guarantees all employees’ rights to organize, bargain collectively, and take collective action, and labor and management jointly discuss key issues through regular consultative bodies, open communication channels, and the Occupational Safety and Hygiene Committee. Labor and management also jointly establish a shared-growth fund and carry out social contribution activities together, putting shared growth with local communities into practice.

Labor-Management Communication Channels

Labor-Management Council

The Labor-Management Council is a body through which labor and management jointly discuss company-wide management matters—including wages, welfare, and other operational issues—with the aim of improving working conditions and promoting the company’s sustainable development. Company-wide agenda items and site-specific issues are addressed at the Central Labor-Management Council, where the CEO and union representatives participate, and plant-level Labor-Management Councils, in which plant managers and union representatives participate, respectively. In 2025, the Central Labor-Management Council discussed key agenda items including how to improve operational efficiency, such as the redeployment of production equipment and workforce, pursuing both employment stability and stronger manufacturing competitiveness. The plant-level councils focused primarily on plant operational matters such as improving working conditions and enhancing employee benefits, strengthening on-site operational stability and cooperation between labor and management.

Grievance Handling Committee

The Grievance Handling Committee is a consultative body that collects employee grievances and discusses improvement measures to enhance working conditions. In 2025, the Committee developed special support measures to ease the housing and living-cost burden for employees relocating due to personnel redeployment, helping stabilize their lives. The Committee has also addressed a range of other issues related to employees’ working conditions, including simplifying the process for operating internal employee clubs.

Joint Labor-Management Activities for Occupational Safety and Hygiene

Joint Labor-Management Occupational Safety and Hygiene Committee

The Occupational Safety and Hygiene Committee is a body through which labor and management jointly review safety and health conditions and deliberate and decide on key issues, working to protect employee safety and health and prevent industrial accidents. In 2025, the Committee shared accident cases across plants to proactively check for similar risk factors, and encouraged safe practices through an Outstanding Safety Practitioner award, working to build a safe working environment and a positive safety culture.

2025 Key Agenda for the Occupational Safety and Hygiene Committee

Business Site	No. of Sessions	Key Agenda Items
Kimcheon Mill	4	· Establishment of plans to prevent industrial accidents · Training plans to enhance emergency response capabilities · Matters regarding the new personal protective equipment · Recognition of outstanding safety performers
Taejon Mill	4	· Selection of new safety footwear · 2025 accident cases and countermeasures · Status of employee medical checkups · Recognition of outstanding safety performers
Choongju Mill	4	· Status of KC EHS audit · Safety accident cases of other companies · Report on work environment measurement · Key agenda for Safety Focus Meeting · Recognition of outstanding safety performers

Labor-Management Communication Channels

Channel	Participants	Frequency	Key Agenda Topics
Central Labor-Management Council	CEO, union representatives	Quarterly	Business status, growth strategy, key operational issues
Plant-Level Labor-Management Council	Managers of Kimcheon, Taejon and Choongju Mills, union representatives	Quarterly	Working condition improvements, employee welfare enhancement, and other plant operational matters
Grievance Handling Committee	Union representatives, Labor-Management Division leader, EX function leader, labor relations personnel	Quarterly	Grievance collection, improving working conditions, and measures to raise employee morale

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Labor-Management Relations

Joint Labor-Management Activities for Occupational Safety and Hygiene

Joint Labor-Management Risk Assessment

Yuhan-Kimberly identifies potential hazards and implements corrective action through a joint labor-management weekly safety inspection. In particular, the annual risk assessment is performed as an employee exercise, in which employees identify hazards in the workplace directly and propose improvement measures. In 2025, joint labor-management risk assessments were conducted at all three mills—Kimcheon, Taejon, and Choongju—identifying a total of 274 risk factors, of which approximately 91% were addressed with corrective action. For major risk factors such as falls and entanglement hazards, the company implemented fundamental elimination measures such as installing safety fencing and modifying equipment structures. The process of jointly identifying and addressing on-site risks has strengthened trust and cooperation between labor and management.

Risk Identification and Remediation through Labor-Management Activities in 2025¹⁾

Classification	No. of identified cases	No. of remediated cases	Remediation rate (%)
Kimcheon Mill	93	83	89
Taejon Mill	51	45	88
Choongju Mill	130	121	93

1) All identified ideas for improvement have been reviewed, and improvements are being pursued in phases based on their level of importance and risk. Some of them will be reflected in future improvement tasks through ongoing monitoring.

Shared Growth with Local Community

Since 2022, the labor union’s social contribution activities have been centered on the areas where the Kimcheon, Choongju, and Taejon Mills are located. The scope of their support has gradually expanded to cover a broad range of vulnerable groups in the community, including elderly individuals living alone, low-income households, and people with disabilities. In 2025, employees visited local sites to carry out volunteer work, deliver funds, improve facility conditions, and provide daily necessities, contributing a total of KRW 10 million in funds and goods to support shared growth with the local community.



2025 Activities for Shared Growth with Local Community

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Human Rights Management

Yuhan-Kimberly respects the human rights of all stakeholders including employees, suppliers, consumers, and local communities, and has clearly affirmed its commitment to human rights management through its Human Rights Management Declaration. Human rights-related issues are incorporated into evaluations of both employees and suppliers to proactively identify risks, and the company operates grievance channels to respond promptly to any human rights violations. Yuhan-Kimberly also raises employee awareness of human rights through training, and works to improve working conditions for emotional labor workers through its customer service representative protection activities.

Human Rights Management Declaration

Human Rights Management Declaration

Yuhan-Kimberly established its 8 Principles of Human Rights Management in March 2022, based on international human rights standards, including the UN Guiding Principles on Business and Human Rights, the 10 Principles of the UN Global Compact (UNGC), the UN Universal Declaration of Human Rights, and the International Labor Organization (ILO) Declaration. These principles encompass compliance with international human rights standards, prioritizing safety and health, compliance with labor standards and the guarantee of freedom of association, and the prohibition of discrimination, forced labor, and child labor. They are applied to all stakeholders throughout the entire value chain. Through its Human Rights Management Declaration, Yuhan-Kimberly publicly commits to fulfilling its responsibility to respect human rights in line with these 8 principles, and discloses the declaration on its internal intranet and corporate website.

8 Principles of Human Rights Management

1

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

2

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

3

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

4

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

5

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

6

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

7

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

8

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

Human Rights Risk Management

Human Rights Risk Assessment for All Employees

Yuhan-Kimberly includes human rights issues in the annual myVOICE satisfaction survey, which is conducted company-wide, to identify potential human rights risks among employees. The 2025 survey identified two human rights-related items that require improvements: “I feel comfortable reporting unethical situations” and “the company handles violations of the code of conduct and unethical situations consistently.” To address these issues, the company plans to improve scores on these two items in 2026 through a newly designed “Speak Up 2.0 Workshop,” which will provide a safe space for employees to freely discuss human rights-related topics in the workplace and help raise awareness. In addition, each plant operates its Labor-Management Council and Grievance Handling Committee quarterly to continuously monitor on-site grievances and human rights-related issues, taking prompt corrective action when needed.

Human Rights Risks Assessment of Suppliers

Yuhan-Kimberly conducts an annual Supplier Assessment Tool (SAT) to monitor human rights risks among its business partners. The assessment covers core human rights items such as forced labor, child labor, prohibition of discrimination, and working conditions. In 2025, some suppliers were found to have failed to meet legal requirements for the composition of their Labor-Management Councils, and guidance was provided on the relevant legal standards. In addition, for partners supplying raw and subsidiary materials, finished products, and contract manufacturing services, Yuhan-Kimberly separately assesses compliance in key human rights areas through shareholder Kimberly-Clark’s global Supply Chain Human Rights Program (SCHR). Where violations are identified, corrective action plans are developed—covering infrastructure and training investment, policy and procedure improvements, and remediation for affected workers—with a change of suppliers considered if necessary. In 2025, SCHR assessments were conducted at four partner companies identifying areas requiring improvement, including a lack of written policies on safety and health management and the employment of foreign workers at some partners. Yuhan-Kimberly provided each supplier with its SCHR results report to support their own improvement efforts.

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Human Rights Management

Human Rights Risk Management

Grievance Channels for Human Rights Violations

Yuhan-Kimberly operates a range of grievance channels to promptly identify potential human rights violations affecting employees and other stakeholders. Employees can anonymously report human rights-related grievances, including workplace harassment and sexual harassment, through the hotline and the toEX channel, while external stakeholders can submit grievances through the company website. The hotline in particular is operated by an external organization to ensure independence in grievance handling, with a reporting structure to internal management based on the severity of the issue. Reports are reviewed and processed according to internal procedures, and a non-retaliation policy protects the identity of whistleblowers and ensures no retaliation from reporting.

Code of Conduct Reporting and Grievance Channels

Channel Name	Major Issues	Targets
Hotline	Actions or activities that violate the code of conduct or human rights (contact: 080-877-5335)	Employees
toEX	Questions about policies or operational matters that are difficult to raise publicly	Employees
Unfair trade reporting center	Reports related to unfair trade practices	Suppliers
Yuhan-Kimberly website	General inquiries about the company or its products	All stakeholders

Human Rights Protection Activities

Human Rights Education

Yuhan-Kimberly provides human rights education to prevent human rights risks and strengthen human rights management capabilities across the organization. In 2025, all employees completed mandatory training courses covering sexual harassment prevention, disability awareness, and the prohibition of workplace harassment, achieving a 100% completion rate among all participants.

Protection of Human Rights of Customer Service Representatives

To protect the human rights of customer service representatives, Yuhan-Kimberly has issued a Declaration on Emotional Laborers' Human Rights Protection Policy built around six core principles, and operates related policies and protective measures. In 2025, the company expanded the scope of representatives' "right to end a call," extending it beyond the previous scope of sexual harassment, verbal abuse, threats, and personal insults to include obstruction of work, strengthening the protections available to representatives. In addition, institutional support measures such as guaranteed break times and a remote work option, are provided and continue to raise awareness of representative protection through communication of the six principles and a poster campaign.



Declaration on Emotional Laborers' Human Rights Protection Policy

1

Establish human rights principles and standards for emotional laborers

Yuhan-Kimberly will protect emotional laborers by establishing clear principles and standards for how representatives should respond to difficult customers during calls, and by sharing these guidelines through a representative manual.

2

Build a culture of respect and supporting representative protection measures

Yuhan-Kimberly will apply a message at the start of calls to remind callers that they are speaking with an emotional labor worker, and will activate a warning and call-blocking system to protect representatives when abnormal or threatening communication occurs.

3

Strengthen job training

Yuhan-Kimberly will move away from training that emphasizes unconditional friendliness, and will instead strengthen job training and manuals that provide representatives with accurate product and service knowledge and information.

4

Grant the right to discontinue service

Yuhan-Kimberly will prohibit consumer service representatives from offering unreasonable apologies and will guarantee the right to discontinue service upon unjustifiable demands (in particular, sexual harassment, personal insults, verbal abuse, or threats).

5

Provide health protection measures for emotional laborers

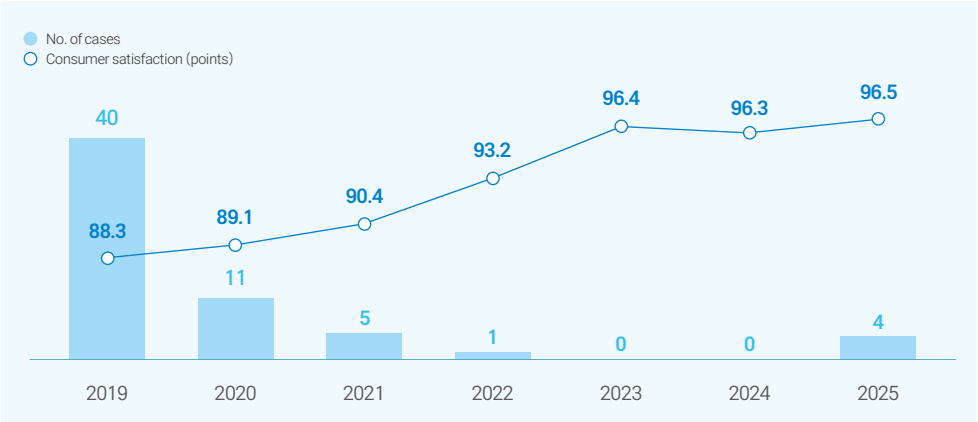
Yuhan-Kimberly will ensure representatives are able to take a rest break after experiencing sexual harassment, personal insults, verbal abuse, or threats from a customer.

6

Prohibit unfair treatment

Yuhan-Kimberly will establish a channel through which representatives can communicate the difficulties and grievances they face as emotional labor workers, and will ensure that representatives who handle difficult customers in accordance with the manual are not subject to unfair treatment as a result.

Number of Cases of Exercising the Right to Discontinue Consultation and Changes in Consumer Satisfaction



Year	No. of cases	Consumer satisfaction (points)
2019	40	88.3
2020	11	89.1
2021	5	90.4
2022	1	93.2
2023	0	96.4
2024	0	96.3
2025	4	96.5

People: Our Strength and Source of Hope

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Safety & Hygiene

Yuhan-Kimberly has set achieving zero serious accidents as the core objective of its safety and health management, and promotes safety and health initiatives to ensure all stakeholders, including employees and supplier personnel, can work in a safe environment. To this end, a safety & hygiene management policy and three main duties have been established and publicly disclosed, and a dedicated organization and decision-making framework ensure the policy is effectively implemented on business sites. In addition, the company applies shareholder Kimberly-Clark’s EHS (Environment, Health and Safety) Maturity System, which incorporates ISO 45001 requirements, to operate its management framework. In 2025, Yuhan-Kimberly set three core strategies—improving the level of safety culture, ensuring regulatory compliance, and promoting prevention-based risk management—and operated a total of nine safety and health programs.

Safety & Hygiene Management Policy

2025 Three Core Safety and Health Strategies and Programs

3 Strategies	Improving the level of safety culture across all sites	Compliance with safety and health regulations	Prevention-based site risk management
2025 Programs	· PCS¹⁾ observation and feedback value creation · Emergency response drills · EHS Risk & Compliance Audit (Choongju Mill, Q1)	· Obligatory biannual inspection by CEO · Enhanced engagement with external workers · Safety and health workshop to become the safest business site	· Risk assessment with participation from all employees · Qualified supplier evaluation · Preventive risk inspections at logistics centers

Core Value of Safety & Hygiene



Choongju Mill Achieves 0% Industrial Accident Rate and Receives Minister of Trade, Industry and Energy Award

Through ongoing efforts to embed a safety culture and prevent risks among its partner companies, Yuhan-Kimberly’s Choongju plant achieved a 0% industrial accident rate from 2024 through the first half of 2025. In recognition of this achievement, the plant was selected as an outstanding safety management site at the “Paper and Pulp Safety and Health Contest,” hosted by the Korea Paper Association in November 2025, receiving the Minister of Trade, Industry and Energy Award. The plant is now recognized as one of the best practices in the industry, with over 60 safety and health managers from major paper companies nationwide visiting it to benchmark its safety management.

1) People-Centered Safety

Safety and Hygiene Performance and Goals

In 2025, Yuhan-Kimberly operated its business with no violations of safety and health-related regulations. In addition, the company has established short-, medium-, and long-term safety and hygiene goals aimed at achieving zero severe accidents and advancing its safety and hygiene performance to a global level, and plans to continue advancing its prevention-centered safety and hygiene management framework. In 2026, Yuhan-Kimberly will work toward obtaining the ISO 45001 occupational safety and hygiene management system certification, verifying that its management framework meets international standards.

Mid-to-Long-Term Roadmap for Safety and Hygiene



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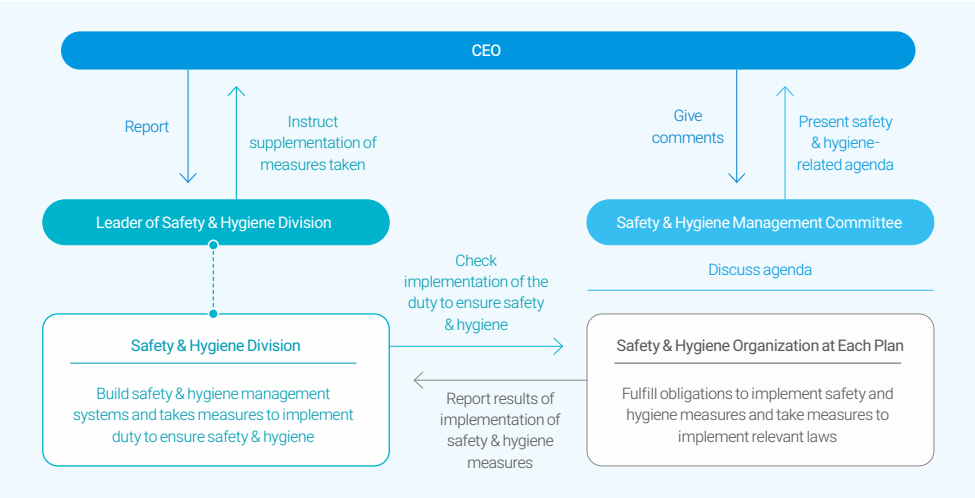
Safety & Hygiene

Organization to Implement Safety & Hygiene Management

Safety & Hygiene Division

The Safety & Hygiene Division is a dedicated organization that oversees company-wide safety and hygiene management, building the overall safety and hygiene management framework and managing compliance with statutory obligations. The division coordinates company-wide safety and hygiene efforts with relevant departments and on-site safety and hygiene organizations. It also conducts biannual inspections of relevant regulations at each business site in accordance with the Serious Accidents Punishment Act, and reports the results to the Safety & Hygiene Management Committee.

Safety & Hygiene Management Committee



Safety & Hygiene Management Committee

The Safety & Hygiene Management Committee, a decision-making body composed of the CEO and the company’s safety and hygiene officers, reviews and approves company-wide safety and hygiene management. The Committee reviews domestic and international issues, deliberates on safety and health plans before they are submitted to the Board of Directors, and conducts biannual compliance checks with relevant laws. It convened four times in 2025, and its discussions were largely focused on addressing blind spots in safety and hygiene management—including addressing a management gap in qualified supplier oversight following the outsourcing of part of the procurement function, reviewing potential risks at off-site logistics centers and contract manufacturing partners, and deciding on corrective action. Despite these efforts, a total of five industrial accidents occurred in 2025, and immediate actions were taken for each case, including cause analysis and the establishment of recurrence prevention measures.

Safety and Hygiene Risk Management

Yuhan-Kimberly’s approach to safety and health management goes beyond fulfilling statutory obligations under the Serious Accidents Punishment Act and other regulations; the company treats the proactive identification and prevention of safety and health risks—both within its own sites and across its partner companies—as the foundation of its safety and health management. In this respect, it has a systematic risk management framework that continuously verifies implementation levels through regular inspections and audits, and reflects identified improvement items across the entire organization.

Global EHS Risk & Compliance Audit

The Global EHS Risk & Compliance Audit is a comprehensive diagnostic program involving shareholder Kimberly-Clark’s global safety & hygiene team and external experts, evaluating the procedures and safety and health management systems at every plant for compliance with standards and regulations. The scope and depth of the audit are adjusted according to each plant’s risk level, and the results are compiled into a report—including a maturity assessment—used to guide improvement activities. In 2025, an audit was conducted at the Choongju Mill, identifying a total of 53 improvement items across areas including chemical management, air emissions management, fire and explosion safety, and industrial hygiene. Corrective action was established and completed for every item identified.

Hygiene and Safety Risk Management for Suppliers

In accordance with relevant statutes including the Serious Accidents Punishment Act, Yuhan-Kimberly proactively evaluates suppliers’ industrial accident prevention capabilities in advance of entering into subcontracting, service, or outsourcing agreements. Prior to signing a contract, the procurement team and safety personnel of each plant review suppliers’ safety and hygiene capabilities based on 12 criteria across four areas: safety and hygiene management systems, execution level, operation and management, and status of accidents. Based on the evaluation results, partners are graded and contract eligibility and incentives are applied accordingly: partners achieving Grade B (70 points or higher) are eligible to proceed with a contract, while outstanding partners achieving Grade S (90 points or higher) receive incentives. In addition, the annual Supplier Assessment Tool (SAT) evaluation is used to proactively identify potential safety and health risks among partners and take necessary corrective action.

Procedures for Evaluating Qualified Subcontractors



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Safety & Hygiene

Safety and Hygiene Risk Management

Inspection to Prevent Serious Industrial Accidents

The Serious Accidents Punishment Act requires business owners and management to establish and implement a safety and hygiene management system for preventing serious industrial accidents, and to conduct regular inspections of its implementation. To fulfill this obligation, Yuhan-Kimberly’s Safety & Hygiene Division inspects its safety and hygiene management system at least twice a year. The inspections verify whether managing officers have established a safety and hygiene management system and are complying with relevant laws and evaluate the performance of safety and hygiene management (general) officers and supervisory managers. Using each plant’s self-assessment materials and interviews, the inspection focuses on key statutory requirements, including personnel appointment and deployment, the conduct of risk assessments, and the inspection and remediation of hazards. In 2025, the inspection was conducted using the Ministry of Employment and Labor’s self-inspection checklist (149 items in total), covering headquarters, the three manufacturing plants, the research institute, off-site locations such as logistics centers, and the Procurement Division. The results confirmed that all sites are implementing safety and health management that exceeds the statutory requirement (a score of 3.0).

Items and Targets of 2025 Semi-Annual Inspection for Serious Industrial Accidents

Inspection items	Manager’s leadership	Employee participation	Risk factor identification	Elimination, replacement and control of risk	Establishment of emergency action plan
	Ensuring safety & hygiene in subcontracting and outsourcing	Assessment and improvement	Measures to fulfill statutory obligations	Provision of safety & hygiene education	
Targets	Headquarters	3 manufacturing plants	1 R&D center	Logistics centers	

Inspection to Prevent Serious Civic Accidents

The Serious Accidents Punishment Act requires inspections and preventive measures not only for industrial accidents but also for serious civic accidents caused by products and facilities. Accordingly, Yuhan-Kimberly conducts inspections of its plants and suppliers at least every six months to verify compliance with statutory obligations aimed at preventing serious civic accidents caused by products and facilities. The inspection items cover nine categories including facilities and equipment, quality control, labeling, and recalls. In 2025, inspections were conducted once each in the first and second half of the year across three manufacturing plants and 53 partner companies. Any deficiencies identified on-site are corrected immediately, with risk managed through ongoing monitoring. Since the enforcement of the Serious Accidents Punishment Act in 2022, there have been no cases of serious civic accidents caused by raw material or product defects.

Items and Targets of 2025 Semi-Annual Inspection for Serious Civic Accidents

Inspection items	Mandatory education	Facilities and equipment	Licensing/ Certification/ Registration	Reporting (performance, raw materials)	Recall
	Personnel	Quality control	Labeling	Reporting stability information	
Targets	3 manufacturing plants			53 suppliers	

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Safety & Hygiene

Strengthening Safety and Hygiene Capability

People-Centered Safety Observation Program

Recognizing that unsafe behaviors and practices on-site are the leading cause of accidents, Yuhan-Kimberly operates the People-Centered Safety (PCS) observation program to help employees identify and address these issues themselves. PCS is a peer-based, task-oriented process of safety observation and dialogue, aimed at reinforcing safe behavior and correcting risky behavior through care and coaching rather than punishment. Each plant operates a dedicated PCS team composed of representatives from each department, embedding a safety culture through a five-step process: assessment and behavioral analysis, education, observation and feedback, data analysis, and problem-solving. In 2025, a total of 23,100 observations were registered across the three plants, achieving a participation rate of 91.7% and an average of 2.5 observations per employee, with 25 of 30 improvement tasks identified on-site completed.

Crisis Response Emergency Drills

Each plant has its own emergency response manual—covering response measures, reporting procedures, emergency contact, evacuation routes, and role assignments—to ensure a rapid, systematic response in the event of an accident, and conducts drills twice a year using new scenarios to assess response capabilities. The drills cover a range of crisis types, including fire, suffocation, and environmental contamination, and are operated in a manner that meets applicable legal requirements. In 2025, the Taejon Mill conducted a drill for asphyxiation risk at wastewater discharge points and a joint fire drill with the local fire department, identifying and correcting delays in reporting headcounts at emergency assembly points. The Kimcheon Mill combined fire evacuation and confined-space rescue drills, and addressed shortcomings in hands-on CPR practice through additional training. The Choongju Mill assessed its initial response capabilities through an environmental accident drill simulating a vehicle oil spill.

Spreading the Culture of Wearing Protective Gear

To ensure employee safety and promote a culture of using protective equipment, Yuhan-Kimberly developed measures to strengthen protective gear at the Kimcheon, Taejon, and Choongju Mills following discussion by the Safety & Hygiene Management Committee. A management framework was built covering the full process—from selection, procurement, and distribution to mandatory use and status evaluation—implemented in stages, strengthening the use of protective gear suited to specific job characteristics. The Kimcheon Mill obligated its employees to wear safety glasses and lightweight hard hats during machine operation, and introduced a 24/7 automated dispensing system for safety glasses with a personal selection option, improving convenience. The Taejon and Choongju Mills applied different protective gear requirements, based on the results of their risk assessments.

Activities to Promote Employee Health and Prevent Illnesses

To promote employees’ physical and mental health, Yuhan-Kimberly supports general health check-ups alongside special health check-ups for job categories with potential exposure to hazardous substances, noise, and other health risk factors. In addition, the company proactively addresses chronic disease risk through musculoskeletal disorder prevention activities and screening for high-risk individuals through cardiovascular and cerebrovascular disease risk assessments, followed by consultation with occupational health specialists and follow-up management. Since 2002, through its Employee Assistance Program (EAP), every employee has access to professional psychological counseling, and each plant fosters a culture of self-directed health management through voluntary activities such as step-count walking programs and health behavior monitoring. The Taejon Mill has been recognized with continuous certification as an Outstanding Health Promotion Site by the Korea Occupational Safety and Health Agency since 2011.

2025 Health Promotion Programs by Site

Business Site	Activity	Description
Kimcheon Mill	Healthy Lifestyle Challenge	- Encourages daily walking through a 10,000-step walking challenge app - Provides small rewards to participants who reach their goals to motivate participation
	Know Your Blood Vessel Numbers Program	- Measures blood pressure, blood glucose, cholesterol, and other cardiovascular and cerebrovascular risk factors - Provides individual cardiovascular risk assessment results
	Musculoskeletal Disorder Prevention Survey and Customized Stretching	- Conducts survey on musculoskeletal strain factors by department based on job characteristics - Provides customized stretching training based on survey results
Taejon Mill	Walking Challenge	Promotes physical activity through biannual walking programs
	Musculoskeletal Pain Prevention Program	- Operates a musculoskeletal pain prevention program for four-shift, two-rotation employees - Provides individualized exercise prescriptions based on assessment results
Choongju Mill	Counseling for Cardiovascular Disease Prevention	- Classifies employees into risk groups based on health checkup results and provides individualized counseling - Offers improvement measures and ongoing blood sugar and blood pressure monitoring
	Hearing Loss Prevention Counseling	- Provides individualized counseling for at-risk employees based on hearing test results - Conducts education on the necessity of protective gear and redistributes protective gear

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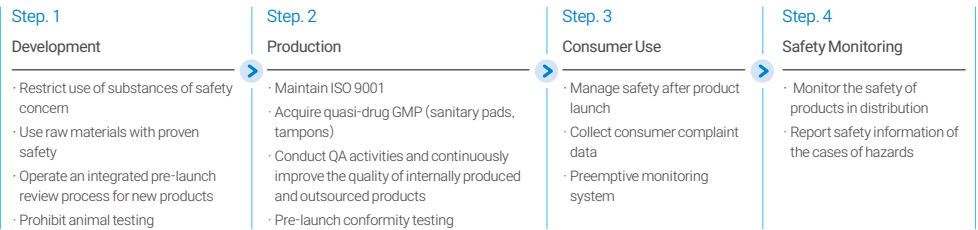
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Product Safety and Quality

The goal of Yuhan-Kimberly’s product safety and quality management is “quality that gives comfort to consumers,” which aims at allowing consumers to use its products with confidence. Building on compliance with legal safety requirements as its foundation, the company applies rigorous safety standards across all four stages of the product life cycle: development, production, consumer use, and safety monitoring. In addition, consumer safety is strengthened through campaigns that embed a quality-first culture at each site and through collaboration with government agencies and relevant organizations. The company plans to enhance its product safety and quality management through ongoing research and system advancement.

Step-by-Step Product Safety Assurance



Product Safety Management System

[Product Safety Policy](#)

Product safety and quality management is built on compliance with domestic law and operates through a triple-verification system that combines Yuhan-Kimberly’s own internal pre-safety review with independent verification by shareholder Kimberly-Clark’s global product safety experts. The same level of safety standards applies equally to internally manufactured products and externally sourced goods, ensuring safety across the entire product portfolio. Furthermore, in accordance with the Serious Accidents Punishment Act, Yuhan-Kimberly conducts a mandatory statutory semi-annual inspection across eight product categories,¹⁾ with voluntary inspections and corrective action, to proactively prevent serious civic accidents. Headquarters, research centers, and all three plants maintain ISO 9001 Quality Management System certification and cosmetics GMP²⁾ certification, with no major nonconformities identified in recent audits. As a result of this systematic management, zero product safety incidents were recorded in 2025 as well.

Product Safety Assurance System

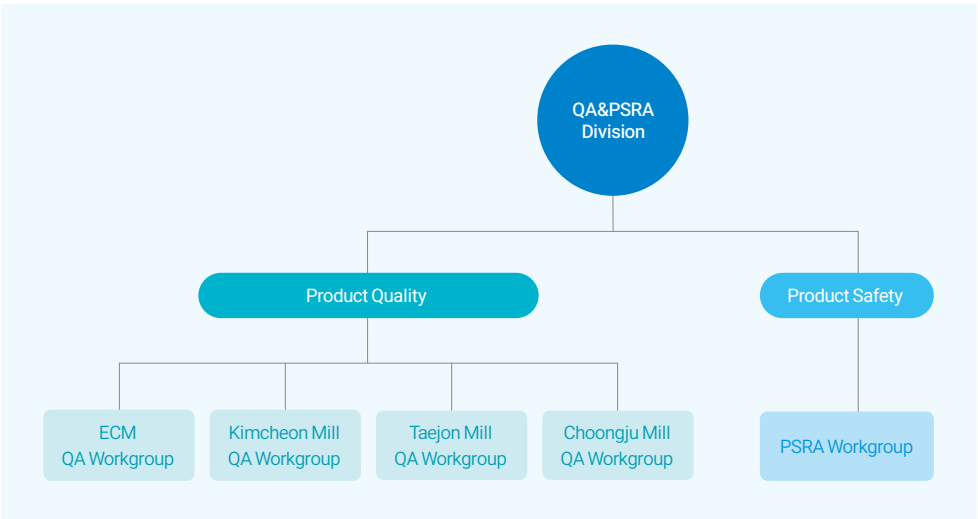


1) Quasi-drugs, medical devices, household chemical products, food-contact equipment, cosmetics, hygiene products, children’s products, and industrial safety products
2) GMP (Good Manufacturing Practice): an international standard for pharmaceutical manufacturing and quality control that ensures consistent quality and safety across the entire process, from raw material procurement through manufacturing to shipment

Product Safety Organization

The QA/PSRA¹⁾ Division is a dedicated organization for product quality and safety, comprising five workgroups. Four quality management workgroups thoroughly manage the quality of products at each plant, as well as products from external contract manufacturers (ECM) at every stage. The Product Safety Regulatory Affairs (PSRA²⁾) workgroup, which is responsible for product regulation and safety, works closely with related departments—including R&E, marketing, and environmental management—to proactively address product safety issues. A “Product Safety Newsletter,” distributed company-wide on the first of every month, shares domestic and international regulatory trends and consumer safety issues, continuously strengthening product safety awareness across the organization.

Product Safety Management Organizational Chart



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

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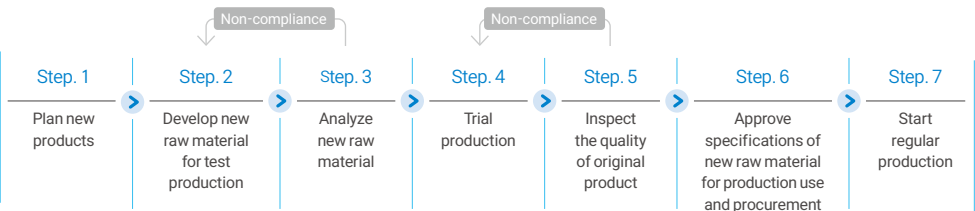
Product Safety and Quality

Product Safety—Product Development Stage

190 chemicals of concern

At the product development stage, Yuhan-Kimberly conducts a pre-emptive safety review process spanning the entire product development stage, from raw material selection through product design. At the raw material stage, it applies a self-imposed policy restricting the use of substances of safety concern, managed through its own internal standards (17 items) that are stricter than legal requirements. New raw materials undergo a pre-verification process to confirm safety before production, and the list of 190 chemicals of safety concern is reviewed at least once a year to reflect the latest domestic and international regulatory trends and consumer issues, with the list published on the company website. When developing new products, Yuhan-Kimberly uses raw materials with verified safety, considering product safety, regulatory compliance, and potential social concerns, with safety further confirmed through independent verification by shareholder Kimberly-Clark’s global experts, providing a dual layer of assurance. In 2025, a total of 1,616 pre-inspections were completed, including 229 product safety reviews, 566 regulatory reviews, and 821 labeling and advertising reviews.

Preliminary Raw Materials Verification System



Characteristics of Chemicals of Concern Subject to Our Voluntarily Restriction of Use

- 1 Materials that are regulated abroad, or subject to stricter regulation

2 Materials with potential safety concerns raised by consumers
- 3 Materials for which safety issues have been raised by recent research findings

4 Other Materials with insufficient safety information

Prohibition of Animal Testing

In line with evolving global norms in the FMCG¹⁾ & Household & Personal Care sector, Yuhan-Kimberly upholds a principle of not conducting animal testing on its products or ingredients. The company is working with shareholder Kimberly-Clark to introduce alternative testing methods, with exceptions applied where explicitly required by law or where no practical alternatives exist to ensure human safety. Yuhan-Kimberly will continue to expand the scope of its alternative testing methods going forward.

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

Product Safety—Production Stage

To manage safety at the production stage in response to a growing share of outsourced products, Yuhan-Kimberly operates a dual quality management strategy for internally produced and externally manufactured products, applying a management framework tailored to each type. For internal production, the company raises quality standards from the consumer’s perspective through complaint analysis and improvement, maintaining quality that exceeds legal requirements through a digital management system and an advanced quality management system. For external manufacturing, the company applies a risk-based system that classifies all externally manufactured products into high, medium, or low-risk based on consumer safety and regulatory impact, applying differentiated quality management system requirements and control levels by risk grade. High-risk products are subject to stricter design controls and mandatory process verification, while low-risk products follow simplified procedures, allowing the company to efficiently ensure consumer safety and regulatory compliance across the entire product lifecycle. For suppliers, risks are proactively managed through on-site process and hygiene inspections as well as regular quality improvement meetings. In 2025, the company provided safety and hygiene training for supplier employees and shared best practices for quality improvement from its global manufacturing sites, helping suppliers build quality capabilities they could apply on-site.

GMP Certification Achieved at All Feminine Care Manufacturing Plants

All of Yuhan-Kimberly’s feminine care manufacturing plants maintain quasi-drug GMP (Good Manufacturing Practice) certification. Following the Choongju Mill’s sanitary pad facility in 2023, the Taejon Mill became the first tampon manufacturing facility in Korea to obtain quasi-drug GMP certification in 2024. Building on this, all plants comply with the manufacturing and quality control standards recognized by the Ministry of Food and Drug Safety, producing products with safe, consistent quality. GMP standards are applied across every area—including manufacturing facilities, quality, hygiene, and personnel—providing a high level of quality assurance across the entire feminine care product line, including organic sanitary pads, tampons, and overnight panties.



White Tampon and Goodfeel Tampon produced at Taejon Mill, which has obtained quasi-drug GMP certification

Spotlight



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Product Safety and Quality

Product Safety—Production Stage

Pre-Launch Conformity Testing

Yuhan-Kimberly standardizes its review process for quality, regulatory compliance, safety, and efficacy, along with its advertising approval process, before a product launches, ensuring the conformity of product labeling and advertising. In 2025, the scope of its design change management process expanded from high- and medium-risk products to include low-risk products, applying a standardized verification procedure to all product changes. As a result, 63 products completed design change management review and 3 products completed pre-launch verification upon the Product Compliance Committee’s review.

Managing Greenwashing Risks

As regulations on product labeling and advertising have tightened, Yuhan-Kimberly has adopted a review process to manage greenwashing risks of its products. Amendments to domestic and international regulations and guidelines are monitored and reflected in internal standards, with key changes shared with relevant personnel through training. Prior to a product launch, relevant departments participate in a pre-review to confirm that environmental claims are appropriate and backed by supporting evidence, with additional review conducted through third-party assessment and consultation with the Korea Environmental Industry & Technology Institute when needed. Under this review process, claims that emphasize a product’s environmental attributes—such as “eco-friendly” or “improved environmental performance”—are used only when supported by objective evidence, such as Ministry of Environment certification or Life Cycle Assessment (LCA) results. This prevents exaggerated or misleading claims and ensures consumers receive reliable information. In 2025, a total of 334 pre-reviews were conducted on environmental claims in labeling and advertising.

Spotlight



Product Safety—Monitoring of Products in Distribution

Through ongoing safety monitoring of products in the market, Yuhan-Kimberly continuously tracks consumer concerns and media trends related to substances of social concern, even after a product has launched. A “Product Safety Newsletter” is published on the 1st of every month to regularly review domestic and international regulatory trends and consumer safety issues, with new issues added to the list as needed. In 2025, the company proactively responded to a consumer safety issue involving harmful substances in sanitary pads that had drawn public attention, promptly conducting tests and securing test results confirming no detection. Integrated monitoring is conducted annually across representative products from every business division,¹⁾ and products subject to monitoring are selected annually based on regulations and internal standards, with voluntary checks covering compliance with legal safety requirements and the presence of substances of concern. For substances subject to stricter regulations overseas, Yuhan-Kimberly commissions an analysis from third-party testing institutions to ensure accuracy and objectivity, managing product safety in an integrated manner.

Embedding Product Safety and Quality Management

Embedding a Quality-First Culture

Yuhan-Kimberly runs quality culture activities tailored to the characteristics of each site to strengthen quality awareness and ownership among on-site employees. The Kimcheon Mill conducted quality campaigns twice a year on the themes of “Listening Carefully to the Voice of Consumers” and “Defect Detection and Blind Comparison,” alongside campaigns on basic order, trust, and consideration. The Taejon Mill carried out on-site prevention activities through a dedicated pest control organization and quality training programs, while the Choongju Mill managed key quality issues, such as packaging defects, through regular meetings. The Seocho Research Institute spread its quality culture through cross-functional collaboration and workshops. Through these activities, Yuhan-Kimberly is embedding a culture of autonomous quality management in which on-site employees identify and resolve quality issues themselves.

Enhancing Consumer Safety through Government and Institutional Cooperation

Yuhan-Kimberly regularly monitors government regulatory and policy trends, and collaborates with government agencies and relevant organizations—including the Ministry of the Interior and Safety, the Korea Consumer Agency, and consumer groups—to proactively address social safety issues. The company participates in the Korea Consumer Agency’s Hygiene Products Council and Cosmetics Council, pursuing consumer harm prevention and stronger product safety. In particular, as the chair of the Hygiene Products Council, it leads efforts to improve industry-wide safety management standards and encourage voluntary safety activities. Working with consumer organizations, the company systematically manages and resolves consumer complaints through the consumer counseling center (1372), while preventing potential safety hazards by analyzing hazard information and damage trends with the Korea Consumer Agency’s Hazard Information Center. Through these partnerships, Yuhan-Kimberly aims to strengthen the safety level of its products and services and help to encourage a safety-first culture across the industry.

1) Baby & Child Care, Feminine Care, Family Care, Wellness, B2B

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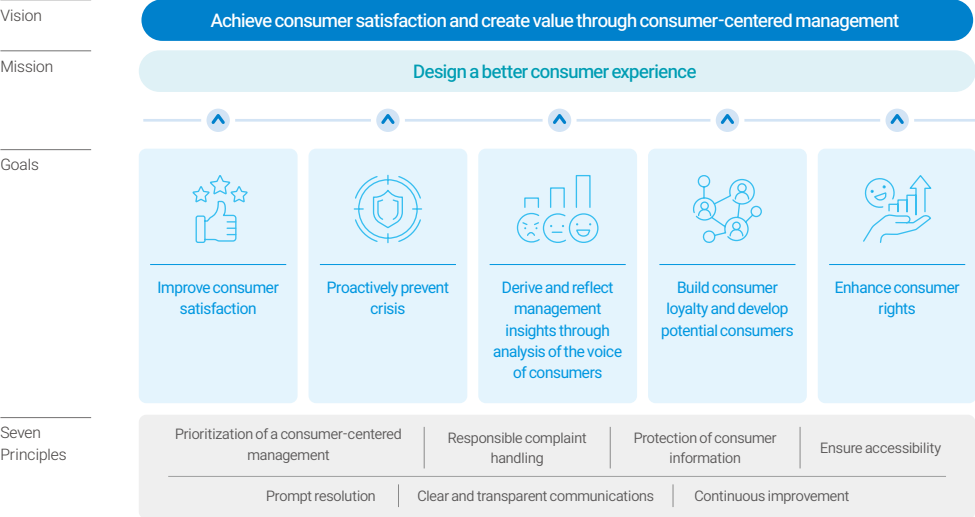
Consumer Satisfaction

Yuhan-Kimberly treats the voice of consumers as the starting point for innovation, and practices consumer-centered management grounded in consumer-oriented thinking and action. The company has re-established its overall management and organizational culture around consumers and built a management system to support sustainable growth. Led by the Consumer eXperience Division, the company facilitates consumer communication, manages VOC, and improves service quality, while the Consumer-Oriented Management Committee reviews operational status and consumer trends to discuss preventive and remedial strategies. The company also strengthens customer trust through consumer education and cooperation with government bodies and consumer organizations.

Consumer-Centered Management System

Yuhan-Kimberly has established seven core principles for consumer rights protection and pursues its initiatives around five strategic goals: improvement of consumer satisfaction, proactive crisis prevention, generation of management insights through the analysis of the voice of customers, development of customer loyalty and potential consumers, and enhancement of consumer rights. In recognition of its consumer-centered management system, the company obtained Consumer-Centered Management (CCM) certification¹⁾ from the Korea Fair Trade Commission in 2025. The certification is a result of repositioning its corporate management and organizational culture around the consumer, guided by the leadership philosophy of “see through the eyes of the consumer, act with their needs in mind.” Building on this achievement, Yuhan-Kimberly plans to advance its mid-to long-term consumer-centered management strategy and further embed it across the organization.

Vision & Mission



Consumer Satisfaction

Consumer Communication and VOC Management

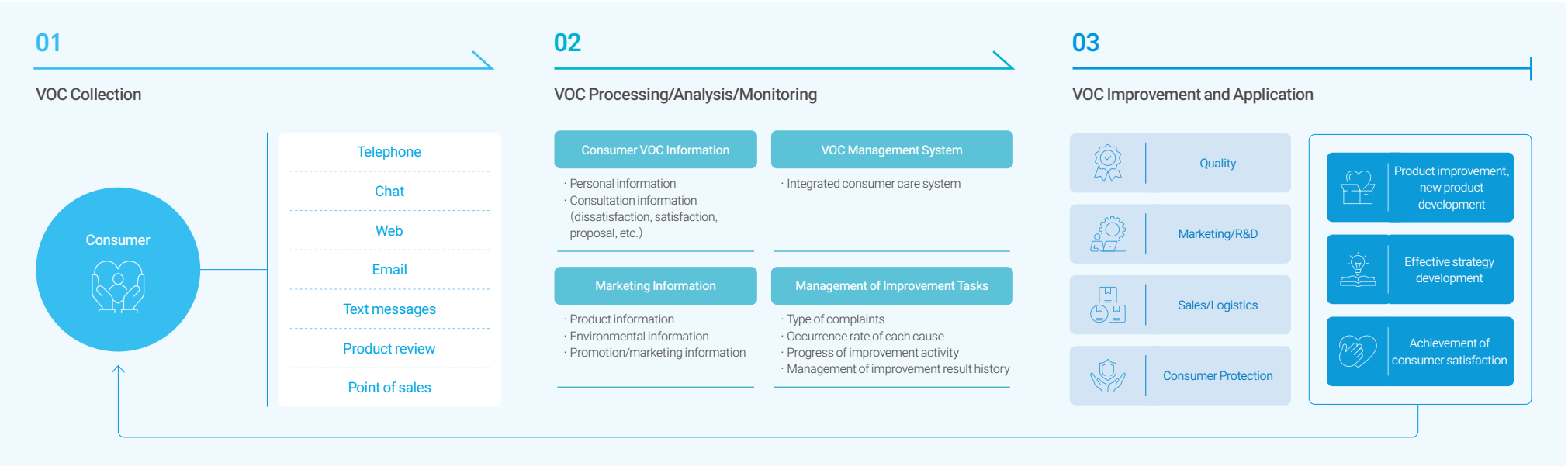
Consumer Consultation System

Yuhan-Kimberly collects the Voice of the Consumer (VOC) through a range of online and offline channels—including telephone, chat, partner platforms, and email—and organizes its customer service function across four sectors: consumer support, e-commerce, B2B, and senior infomercial. This structure enables specialized consultation tailored to each area and more precise management of VOC by type. Collected VOC data is consolidated and managed through a centralized system, which brings together contact history, product information, and FAQs, improving the accuracy and efficiency of customer response. In addition, VOC is continuously monitored through the CX Division dashboard, with automatic reporting to senior leadership when major issues arise, such as product safety concerns or foreign material contamination, supporting swift decision-making and follow-up action.

Improving Consumer Support Quality

To deliver consistent, reliable customer support, Yuhan-Kimberly focuses its quality improvement efforts on innovating consumer touchpoint channels and restoring relationships with dissatisfied consumers. In 2025, the company provided regulatory and process training to strengthen representatives' expertise, and refined its counseling manuals and procedures in line with KS Service certification standards to ensure consistency in customer interactions. The company also expanded its visual ARS system and chatbot scenarios, and introduced automatic voice-to-text conversion of call data to allow representatives to view customer history in real time, improving both accuracy and speed of support. To prevent the loss of dissatisfied consumers, Yuhan-Kimberly operated a retention program providing 3,000 consumers with information on improved or new products developed in response to consumer complaints and providing tailored information. As a result, repurchase intention reached 95.2%, while key customer support productivity metrics, answer rate¹⁾, service level²⁾ and occupancy rate, recorded 96%, 89.1% and 95.9%, respectively.

Consumer Consultation Process



1) Response rate to incoming calls
2) Rate of responses handled within 20 seconds

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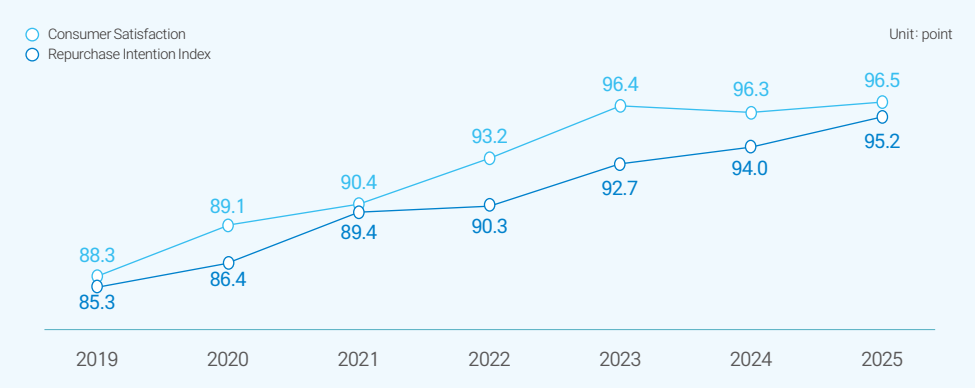
Consumer Satisfaction

Consumer Communication and VOC Management

Improvement in Consumer Satisfaction

Yuhan-Kimberly operates a real-time mobile consumer satisfaction survey and automated analysis system, tracking Consumer Satisfaction Index (CSI) and repurchase intention as key KPIs. In 2025, the company recorded a CSI of 96.5 points and a repurchase intent index of 95.2 points, both improved from the previous year. In addition, the company received the grand prize for seven consecutive years at the Consumer Complaint Evaluation Award, as selected by the Consumer Research Institute, earning external recognition for its customer response capabilities.

Consumer Satisfaction and Repurchase Intention Index Trend (2019-2025)



VOC-Based Product and Service Improvement

Early Warning System for Consumer Complaints

Yuhan-Kimberly operates an early-warning process to prioritize consumer safety and minimize harm. In 2025, the company advanced its consumer complaint early-warning system, moving beyond the previous approach of responding to individual complaints by type. The system continuously monitors individual VOC entries for abnormal signs, proactively responding before they escalate into regulatory sanctions or broader issues. Through restructuring, management criteria were shifted to focus on three stages of consumer behavior, prioritizing risks with the potential to spread. The company also clarified its process for reporting directly to senior leadership, ensuring major issues are shared quickly and decisions made promptly. In 2025, a total of 22 early warnings were issued, proactively managing risks that could otherwise have led to regulatory sanctions or external escalation.

Activities to Enhance Consumer Trust

Consumer Value-Based Education

Yuhan-Kimberly contributes to realizing customer value and promoting a culture of proper product use through sex education and hygiene education programs for teenagers, pursuing social responsibility and building trust. Since 1972, its school sex education program has expanded into “We have menstruation,” a menstruation education channel for school health teachers on its Daldabang online platform, which had 2,509 registered members as of 2025. A total of 251,564 adolescents participated in the program, using educational content developed with review from the Korean Health Teachers Association, with 49,100 product samples and 15,000 copies of a first menstruation guidebook distributed nationwide. The company is expanding access by offering educational content in four languages for adolescents from multicultural families and distributing educational materials designed for students at special-needs schools and students with developmental disabilities.

Cooperation with Consumer Groups and Governments

Yuhan-Kimberly collaborates with government agencies and consumer organizations to foster a culture of consumer safety and proper product use. In 2025, as chair of the Hygiene Products Council, the company partnered with the Korea Consumer Agency to launch the “Wet Wipes, Check First Before Flushing” campaign, aimed at improving toilet use habits, providing guidance on proper use and disposal. Access to safety education has also expanded, as the company supported a consumer experience education program for younger elementary school students. It signed a social contribution agreement on safety culture with the Ministry of the Interior and Safety to promote awareness of everyday safety guidelines and pursue campaigns targeting vulnerable populations. These public-private partnership efforts were recognized with an award from the President of the Korea Consumer Agency in January 2026.

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Supply Chain Management

Yuhan-Kimberly recognizes its entire supply chain as part of its responsibility, building a foundation for sustainable growth together with its business partners. The company aims to proactively manage ESG risks that may arise in the supply chain—including human rights, the environment, and labor—while strengthening the competitiveness of its supply chain as a whole by supporting partner companies’ capability building and mutual growth. To this end, it operates a supply chain management system spanning every stage, from open sourcing to the screening and selection of new suppliers, regular capability assessments, and follow-up management. This system is formalized in the company’s Sustainable Procurement Principles, and the Supply Chain Code of Conduct sets out the ethical and ESG standards that partner companies are expected to meet. Beyond requiring compliance, Yuhan-Kimberly also provides practical support through a range of shared-growth programs—including financial support, job capability training, quality management consulting, and hiring assistance—strengthening the foundation for partners’ independent growth.

[Sustainable Procurement Policy](#)

[Supply Chain Code of Conduct](#)

Status of Suppliers

As of 2025, Yuhan-Kimberly works with a total of 1,255 suppliers across 22 countries. Approximately 88% of these are domestic suppliers, and domestic partners account for approximately 73% of total transaction value, reflecting a supply base centered on the domestic supplier ecosystem that helps ensure supply stability. Suppliers consist of primary materials providers, external contract manufacturers that produce and deliver finished products, and others,¹⁾ with primary materials providers accounting for 42% of total procurement spend—reflecting the significant role of raw material sourcing within the supply chain.

Distribution of Suppliers by Country in 2025



1) Other suppliers: Contract service providers, distribution agencies, advertising agencies, IT and financial companies, etc.

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Supply Chain Management

Implementing the 4 Fair Trade Practices

Yuhan-Kimberly implements its 4 fair trade practices to establish a fair trade order. It publishes its Procurement Ethics Charter and the Duty of Integrity Pledges on its website, disclosing transparent trading principles both internally and externally, while incorporating the integrity pledge clauses into its standard subcontracting agreements to ensure fairness and transparency across all dealings with suppliers. In every bidding process, Yuhan-Kimberly provides suppliers with fair participation opportunities based on internal standards and negotiates transaction terms on an equal footing, preventing unfair demands or trade practices that could arise from an imbalance in bargaining position.

[Website of Four Implementation Items for Fair Trade](#)

4 Fair Trade Practices

01



Desirable contracts between large corporations and SMEs

02



Fair selection and management of suppliers

03



Establishment and operation of the Subcontractor Internal Review Committee

04



Proper issuance and retention of written documents

Organization to Implement Supply Chain Management

Yuhan-Kimberly manages its supply chain—from supplier ESG management to raw and subsidiary material procurement—primarily through the SCM Enabling Division and the Procurement Division. To improve the consistency and efficiency of supplier support, the company consolidated previously dispersed functions into the SCM Enabling Division. The SCM Enabling Division is dedicated to strengthening suppliers' ESG capabilities and supporting mutual growth, while the Procurement Division is responsible for requiring compliance with the supplier code of conduct and ensuring the stable procurement of raw and subsidiary materials.

Organizations Responsible for Supply Chain Management

SCM Enabling Division

- Enter into MOUs to support suppliers' ESG management
- Conduct regular assessment and corrective action regarding ESG risks of suppliers
- Operate financial and non-financial support programs for shared growth



Procurement Division

- Establish and manage supplier sustainability management policy
- Establish and require compliance with the code of conduct for suppliers to fulfill social responsibilities
- Manage long-term stability of raw and subsidiary material supply for product and service production



New Suppliers Evaluation and Selection

When selecting new suppliers, Yuhan-Kimberly comprehensively evaluates financial stability, quality capability, and ESG management levels to assess partnership suitability. New suppliers engage in an initial document review and, where necessary, a second round of on-site evaluation before being registered in the supplier pool. Suppliers then participate in bids and contracts upon agreeing to comply with the company's social norms¹⁾.

First-Phase Paper Review

Yuhan-Kimberly discovers potential suppliers through an open sourcing process. Companies interested in working with Yuhan-Kimberly submit an application through the shared growth website, and the Procurement Division reviews the required items and suitability before conducting a document-based review. This review confirms compliance with labor-related regulation as a mandatory requirement—including enrollment in the four major insurances, operation of a retirement benefit plan, and compliance with the Minimum Wage Act—alongside an assessment of financial stability and quality and environmental certifications (ISO 9001 and ISO 14001).

Second-Phase On-site Assessment

Among potential partners that pass the first-stage review, those requiring further verification undergo a second-stage on-site evaluation. Procurement staff and relevant departments visit the business site and conduct a comprehensive assessment in accordance with assessment criteria, with particular emphasis on safety and environment, labor and human rights, and ethical management. In 2025, on-site evaluations were conducted for 3 of 171 new suppliers, representing an evaluation rate of approximately 1.8%. Of these, 2 partners were found to need improvement in production processes or quality management systems: 1 completed corrective action related to its production processes and was selected as a final supplier, while the other was determined to require improvements to its quality management system and is currently undergoing corrective action.

On-Site Assessment Areas for New Suppliers

Finance, Management, Supply Chain



Quality



Production



Development



Safety Environment



Labor, Human Rights, Anti-Corruption, Ethics



¹⁾ Social norms compliance standards include: prohibition of child labor and forced labor, non-discrimination, safe and healthy workplace, environmental protection, business integrity, conflict minerals, and other related items.

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Supply Chain Management

Supplier Capability Assessment

Yuhan-Kimberly conducts the Supplier Assessment Tool (SAT) on an annual basis to proactively identify potential risks among its suppliers and assess their ESG implementation levels. The assessment follows a 5-step process and comprehensively reviews 4 areas: quality management, social responsibility, plant cleanliness, and process capability. Suppliers are categorized based on their ESG self-assessment rating and supply risk level, and on-site evaluations are conducted for raw and subsidiary material suppliers and external contract manufacturers above a certain size, excluding overseas partners and large corporations. Results of the on-site assessments are shared with the procurement and other relevant departments so that they could be utilized in the following year's evaluation plan. Depending on the results, the company supports the development and implementation of improvement efforts, and provides incentives to suppliers with excellent ratings to maintain mutually beneficial trading relationships.

2025 Capability Assessment Results

In 2025, on-site evaluations were conducted for a total of 64 suppliers. The overall average score was 88.7, an improvement over the previous year, and the average score in the social responsibility¹⁾ also improved, confirming a continued rise in partners' overall level of ESG management. Significant risks were identified in the social responsibility area at some partners: corrective action or supplier changes were completed immediately, with re-verification planned at the next visit. In addition, Yuhan-Kimberly conducted its first supplier ESG self-assessment in 2025, covering 86 suppliers with an 85% participation rate. Self-assessment results were reflected in the funding limits available under the Mutual Growth Cooperation Fund, based on assessment grade. Starting in 2026, the company plans to systematically conduct supplier ESG self-assessments and on-site due diligence through specialized external institutions. In particular, Yuhan-Kimberly plans to provide consulting support for major improvement tasks identified during due diligence, enhancing both the effectiveness and outcomes of supply chain ESG management.

1) Components of social responsibility: fire safety management, safety and hygiene, labor/human rights, chemicals and waste

Supplier Capability Assessment Process



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Supply Chain Management

Programs for Mutual Growth

Shared Growth Website 

Yuhan-Kimberly operates a range of shared-growth cooperation programs to achieve mutual growth with its suppliers. Under the fair trade and shared-growth agreements, the company supports technology development, improved payment terms, and job capability development to strengthen partner competitiveness, building a foundation for partners’ sustainable growth. Building on these activities, Yuhan-Kimberly has earned “Excellent” or “Best” ratings in the government’s Shared Growth Index evaluation for 9 consecutive years since 2017.

Financial Support for Suppliers

To support stable financial management for suppliers, Yuhan-Kimberly provides various financial support programs. In partnership with IBK Industrial Bank, the company operates a shared-growth cooperation fund to support raw material and equipment purchases, production funding, capital investment, and technology development and operating funds. The Fund applies preferential interest rates to suppliers to ease their financial burden, and was operated at a scale of approximately KRW 17 billion in 2025. Moreover, transaction payments are made 100% in cash to support smooth cash flow for suppliers, enhancing their financial flexibility and liquidity. The company recommends improved payment terms and deadlines for partners, and supports management stability through financial information sharing and business diagnostic services. In addition, Yuhan-Kimberly reviews and encourages improvement of payment terms for second-tier and lower partners, contributing to a fair trading environment and financial stability across the entire supply chain.

Enhancing Supplier Job Capabilities

In 2025, Yuhan-Kimberly provided training on AI utilization and digital work capability, reflecting supplier demand. In July and August, AI utilization training was provided for production, quality, HR and general affairs personnel, and in October, training on Notion further supported collaboration and work management skills. Each training combined case-based lectures with hands-on practice to ensure applicability to the actual work environment. These activities enhanced suppliers’ digital capabilities and productivity, as well as their ability to respond to a changing work environment. Learning support was also expanded by offering language education opportunities through external online learning programs.

Recruitment Support

Yuhan-Kimberly supports suppliers in securing talent through various support programs. In partnership with IBK Industrial Bank, the company operates an online recruitment platform (i-ONE JOB) to help partners connect efficiently with job seekers. The company also provides hiring subsidies for personnel recruited through this platform when employment is maintained for a set period, easing partners’ hiring burden. The company also supports partner participation in job fairs, providing opportunities to meet candidates directly. In 2025, it expanded partners’ hiring opportunities by connecting them with job fairs and provided various benefits, including preferential interest rates and job posting support, strengthening their ability to recruit talent and building a stable foundation for workforce management.

Consulting for Suppliers’ Quality Management

Yuhan-Kimberly provides quality management system consulting to help raise partners’ quality management standards. The company utilizes internal specialists to provide tailored consulting for suppliers that need to improve their quality management framework and operational efficiency. Key consulting areas include manufacturing sites, operating systems, and cost reduction, covering a range of activities aimed at improving suppliers’ productivity and quality competitiveness—including process improvement, equipment management, ERP and production management system operation, and establishment of quality management frameworks. The consulting support also addresses ISO 9001/14001 certification and the establishment of in-house research centers. These efforts help raise suppliers’ process stability and quality levels, improving operational efficiency and cost competitiveness.

Supplier Communication and Rights Protection

Unfair Trade Reporting Center for Suppliers 

To ensure transparent communication with suppliers and protect their rights, Yuhan-Kimberly publishes a booklet covering mutual growth-related obligations and support programs, and operates the shared growth website to continuously share key programs and information. The company also operates an anonymous unfair trade reporting channel, allowing suppliers to safely raise grievances encountered during the transaction process. Reports are then forwarded anonymously to the Legal & Compliance Division, and it investigates the matter and reports its findings to the compliance manager. The compliance manager takes follow-up actions in accordance with the company’s operating guidelines for sanctions against employees who violate the Fair Trade Act, fostering a trust-based trading environment.

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Creating Community Value

Yuhan-Kimberly creates community value and expands social impact centered on forests and people. The company has incorporated “coexistence of forests and people” and “improvement of the quality of life of the vulnerable” in its 2030 sustainability goals, and has established a Social Contribution Declaration and Community Donation Principles to systematically manage the direction and priorities of its activities. Related goals and key activities are discussed and approved by the ESG Committee, with execution led by the Corporate Social Responsibility Work Group. In the forest area, Yuhan-Kimberly pursues tree planting, ecological restoration, and endangered species conservation centered on its “Keep Korea Green” campaign, running since 1984, while in the people domain, it works to improve the quality of life for vulnerable groups through product donations and hygiene and health education.

Community Donation Principles

Social Contribution Declaration

Yuhan-Kimberly fosters the coexistence of people and forests.

Yuhan-Kimberly strengthens diversity and inclusion capabilities for a healthy society.

Yuhan-Kimberly strives to spread a culture of sharing with the community.

3
Commitments

1

We actively participate in the “Keep Korea Green” campaign, planting and nurturing over 947 trees¹⁾ per employee to protect the global environment.

2

We lead the way in building a family-friendly society through healthy communication and happy family life.

3

We actively participate in donation and volunteer activities for future generations, seniors, and vulnerable communities.

Social Contribution Declaration

Ecological Restoration of Forest Fire-Damaged Areas

To restore wildfire-damaged forests and strengthen local ecosystem resilience, Yuhan-Kimberly conducts restoration and monitoring projects in major affected areas. In 2025, the company conducted a restoration project in Uljin-gun, Gyeongsangbuk-do, with the Korea Forest Service and ecological experts through native species planting, dead tree removal, and soil stabilization. It has since worked with the National Institute of Forest Science to track ecological changes through indicator surveys and citizen monitoring. These efforts were recognized as an outstanding forest ecological restoration case at the 2nd World Restoration Congress hosted by FAO and UNEP in 2025. Yuhan-Kimberly also operates “Green Camp”, a forest environmental education program on wildfire restoration and biodiversity preservation. Participants visit restoration sites in Uljin and Donghae, take part in nature-mapping activities at the Baekdudaegan National Arboretum in Bonghwa, and receive expert mentoring to develop action projects, and raise environmental awareness.

2025 Uljin Ecological Restoration
Citizen Monitoring

2025 University Student Green Camp
– Visit to Wildfire-Damaged Area

Tree Planting for Newlywed Couples

Yuhan-Kimberly operates a newlywed tree planting program to promote citizen participation in forest restoration and climate action. In 2025, 100 couples engaged or married within the past three years joined the program’s 42nd session to help restore the climate-affected Inje birch forest, planting 4,500 trees across 1.5 hectares. Name plaques and ongoing site access allowed participants to monitor the forest’s growth, fostering environmental awareness and responsibility. From 2025 to 2027, Yuhan-Kimberly, Forest for Life, and the Korea Forest Service plan to work on a mid-to-long-term restoration project to plant and manage approximately 10,000 ginkgo trees across 3.4 hectares.

Forest Conservation Through the “Keep Korea Green” Campaign

“Keep Korea Green” is Yuhan-Kimberly’s major public interest campaign, through which the company has worked with forest environment organizations, government agencies, and citizens since 1984 to address environmental and social challenges through forests. The campaign facilitates the restoration of forest ecosystems and climate change response from a long-term perspective, and has expanded its scope from Korea to Northeast Asia. With the goal of planting of 60 million trees by 2030, a cumulative total of 58,144,473 trees has been planted by 2025. In 2025, Yuhan-Kimberly operated a range of programs, including restoration of forest fire-damaged areas, forest development and maintenance, tree planting for newlywed couples, and the establishment of a Yuhan-Kimberly Forest in Mongolia.

1) To absorb approximately 2.6 tons of carbon dioxide (greenhouse gases) emitted per person over a lifetime, 947 pine trees must be planted (source: Carbon Neutrality Offset Standard, National Institute of Forest Science).

People: Our Strength and Source of Hope

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Creating Community Value

Activities to Protect Forest Environment through the Keep Korea Green Campaign

Creation of Endangered Korean Fir Forest

Since 2021, Yuhan-Kimberly has partnered with the Korea Arboreta and Gardens Institute on a mid- to long-term forest development project to conserve the Korean fir (*Abies koreana*), a species endemic to the Korean Peninsula that is now endangered due to climate change. The project centers on securing genetic resources, producing and managing seedlings, and establishing a foundation for conservation. Seed collection and growth surveys are conducted at major natural habitats nationwide, with genetic resources preserved at the Baekdudaegan Global Seed Conservation Facility. Specialized nursery greenhouses produce and manage seedlings tailored to regional characteristics, with approximately 64,000 seedlings secured as of 2025. Through exhibitions, education, and archive-building, Yuhan-Kimberly is raising awareness of endangered species conservation and expanding its activities through public-private partnership. In 2026, the company plans to begin full-scale planting using the seedlings and data accumulated so far, alongside ongoing growth monitoring and forest management.

Creation of Carbon-Neutral Forests

Yuhan-Kimberly partners with Forest for Life to develop and manage carbon-neutral forests, strengthening the foundation for climate change response and ecosystem restoration. In 2025, the company managed a total of 58.4 hectares of forests across sites including Yongin, Hwacheon, and Taejon Coexistence Forest, planting 15,581 trees and managing forest maintenance for 184,830 trees. In particular, management tailored to the growing conditions of each site, along with ongoing monitoring for pest damage, heavy snowfall, and wildlife impact, helps improve forest health and ecological stability. Citizen tree planting and monitoring activities also drew a total of 834 participants and created 493 jobs, contributing to broader social value. Through these efforts, Yuhan-Kimberly is building a foundation for long-term carbon sequestration while continuing responsible forest management.



Changgyeonggung Palace Forest Cultivation Activity in 2025

Yuhan-Kimberly Forest Project in Mongolia

Yuhan-Kimberly pursues a forest restoration project centered on the Yuhan-Kimberly Forest in the Tujiin Nars Special Protected Area of Selenge Province, Mongolia, aimed at combating desertification and restoring the local ecosystem. Afforestation and management activities have continued since 2003, with the goal of developing a model forest capable of self-sustaining growth while preventing desertification. In 2025, the company worked with Forest for Life and its Mongolian distribution partner MSD to carry out forest restoration and maintenance activities in the Tujiin Nars area. A total of 25,000 scotch pine trees were planted across 10 hectares of afforestation sites, and thinning and pruning were carried out across 100 hectares of existing plantation, improving growing conditions for approximately 2.5 million trees. The project also included the development of a 600-meter ecological trail and ongoing nursery management and field monitoring, strengthening the forest management foundation. As a result, Yuhan-Kimberly continues to support the long-term sustainability of the Mongolia Yuhan-Kimberly Forest and expand its ecological and social value.



2025 Meeting with the Minister of Environment and Climate Change of Mongolia



Tree Planting to congratulate the trilateral memorandum of understanding (MOU) for the creation of the Yuhan-Kimberly Forest in Mongolia

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Creating Community Value

Activities to Protect Forest Environment through the Keep Korea Green Campaign

Creating Native Plant Honeybee Forest in Yeoncheon

In 2025, Yuhan-Kimberly created a honeybee forest with native honey plants in Yeoncheon-gun, Gyeonggi-do, in collaboration with Peace Forest Work. Gap planting¹⁾ was carried out across a 1.8-hectare site, with 4,500 new honey plants—including oriental raisin trees, kalopanax pictus, and black locust trees—planted and 7,800 additional trees planted. Forest cultivation work, including mowing and vine removal, helped establish the forest’s health and stabilize its melliferous resources. These activities laid the groundwork for converting forest in this border region into one that supports bee habitat, strengthening biodiversity and the foundation for sustainable forest management.

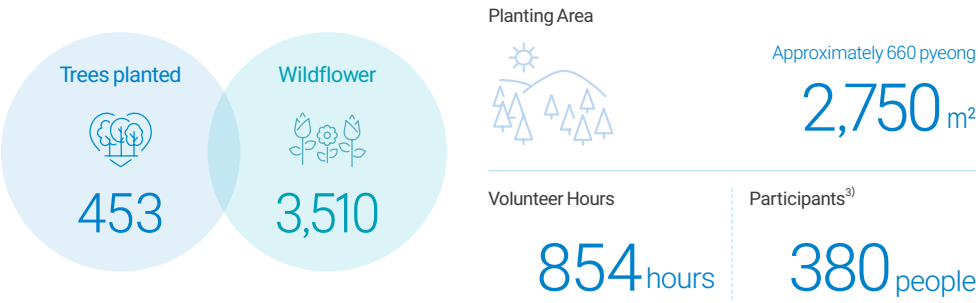


2025 Forest Gap Tree Planting Volunteer Activity

Activities to Protect Changgyeonggung Palace Forest

Yuhan-Kimberly works with Seoul Green Trust to pursue ecological restoration and sustainable management of the palace forest at Changgyeonggung Palace. Expert tree diagnosis and maintenance monitor the health of the trees, while the removal of invasive species strengthens forest stability. In 2025, the company planted 240 trees across 4 species—including acer triflorum and acer palmatum—to restore green space in the Changgyeonggung area, expanding the managed area by 590 square meters. A volunteer activity involving both citizens and employees drew a total of 113 participants, and a related forest experience program for socially vulnerable groups helped spread the public value of the palace forest—continuing citizen-driven green space management and ecological restoration within this historic urban setting.

3-Year²⁾ Cumulative Achievements of Changgyeonggung Palace Forest Project



Yuhan-Kimberly’s Social Contribution Activities in Numbers

Forests

Contents	Unit	Beginning Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Cumulative Contribution ⁴⁾
Trees subject to planting and forest nurturing (including vegetation and tall trees)	No.	1984	323,880	601,016	602,800	760,661	556,130	497,779	591,941	531,090	461,678	513,000	541,434	58,144,473
Areas subject to forest nurturing	ha	1984	109	224	213	256	188	139	191	175	154	165	180	16,797
Participation in volunteer activities	Person	2015	-	2,509	2,183	4,361	2,459	-	-	57	105	458	216	12,348
Newlyweds Tree Planting	Person	1985	600	600	650	650	639	11,902	20,000	5,610	220	250	220	60,285
Forest/environment education for college students (Yuhan-Kimberly Green Camp)	person	1998	120	110	98	98	176	209	400	400	100	80	80	5,930

1) Forest gap: An eco-friendly method of forest management that minimizes damage to the ecosystem by selectively planting and managing only the necessary areas while maintaining the existing forest, as opposed to large-scale clear-cutting.
2) 2023-2025
3) Employee and family participation rate: 63.72%
4) Total cumulation of contribution activities from the beginning year

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Creating Community Value

Promotion of Diversity and Inclusion

Support for Female NGO Leadership Development Programs

Yuhan-Kimberly partners with the Korea Foundation for Women, Sungkonghoe University, the Korea Women’s Associations United, and Ewha Womans University to run a women’s NGO leadership scholarship program, aimed at identifying and supporting leaders who can drive sustainable change in the women’s and civil society sectors. In 2025, the company operated both a long-term and short-term Future Female NGO Leadership course, providing scholarships and education for field activists and next-generation leaders. The long-term program supported 8 activists through graduate school scholarships, developing leaders who combine theory and practice, while the short-term program provided leadership training to 60 women activists, strengthening the foundation for sustainable civil society work. The program also expanded exchange and solidarity connecting generations, regions, and issues through a scholarship alumni network and a Women’s Movement Academy, supporting continuous growth through mentoring and joint activities. As of 2025, the program has supported a total of 1,274 activists, 114 of whom have earned a master’s degree.



16th Female NGO Leadership Program Graduation Ceremony

Life-Loving Newlywed School

Since 2009, Yuhan-Kimberly has partnered with the Seoul YWCA to run the “Love of Life Newlywed School,” supporting newlywed couples in building healthy relationships and improving their quality of life. The program aims to support the lives and relationships of newlyweds in an era of low birth rates and enhance the sustainability of individuals and society. In 2025, the program received 1,370 applications, reflecting strong interest and demand. Participants were divided into groups with and without children; a total of 50 couples (134 people) participated in person, and a total of 272 people participated overall, including 138 joining online. The program included the couple-communication-focused “Let’s PICNIC” activity, roundtable discussions, and expert lectures, creating a space for sharing experiences and building empathy, with participant satisfaction averaging above 4.8 points. The program also gathered insight into newlyweds’ concerns and perspectives through surveys and in-depth focus group interviews (FGI), which will be used to inform future research and program improvements related to family and work-life balance. Through the Newlywed School, Yuhan-Kimberly plans to continue supporting newlywed couples’ experiences of respecting individual lives, valuing the privilege of life, and communicating as a couple—experiences the company hopes can, in turn, contribute to broader social change.



2025 Newlywed School

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Creating Community Value

Donation and Sharing Activities

Good Brand Donation Campaign

Yuhan-Kimberly improves hygiene and health accessibility for vulnerable groups through its Good Brand Donation Campaign, in which its key brands participate. Huggies, through initiatives such as its “Premature Baby Campaign,” has supported low-income families and children in care gaps with approximately 13.65 million diaper pads, helping ease the burden of childcare. Goodfeel, the feminine hygiene brand, has continued to protect menstrual rights since 2016 through its “Cheer Up Daughters” campaign, donating approximately 12.7 million sanitary pads for economically vulnerable women and adolescents. Kleenex raised hygiene awareness among childcare facilities through its “Happy Clean Campaign.” By connecting each brand’s product expertise with social needs, Yuhan-Kimberly contributes to improving living conditions and stronger health rights for vulnerable populations.

Donations by Brand in 2025

Brand				
Activities	- Free supply of ultra-small diapers for premature infants (2017-) - Hope Bank: Donation of diapers returned for size exchange (2015-) - Good Action diaper support for economically disadvantaged families (2019-)	- Donation of 1 million sanitary pads for economically vulnerable women and teenagers (2016-) - Development of First-time Sanitary Panties¹⁾ to teach how to replace sanitary pads for women with developmental disabilities (2020-)	- Anti-Fine Dust Mask Donation campaign (2015-2019) - Donation of 1 million COVID-19 masks (2020) - Donation of 300,000 masks for young adults preparing for self-reliance and vulnerable groups (2022) - Happy Clean Campaign for children’s hygiene and health (2023-)	1% Monthly Salary Donation campaign to support seniors in need (2015-)
Performance as of December 2025 (cumulative)	Donated 13,646,980 pads in total	Donated 12,709,796 pads in total	Donated 1,625,802 masks in total Donated 15,575 hygiene kits in total	Donated 1,864,927 pads in total

1) Domestic and international patents (KR 10-2867623 / US 12,527,699 B2)

Major Efforts for Social Impact of Product Brands

Brand	Program	Description	UN SDGs
	Campaign for Premature Baby	Conducted awareness campaigns for premature infants and donated diapers for premature babies	
	Childcare Forum	Developed educational materials and lectures to support childcare	
	Hug Box	Provided diapers, childcare supplies and educational materials to prospective parents preparing for pregnancy and childbirth	
	Happy Bean Good Action / Hope Bank	Donated diapers to the economically disadvantaged populations	
	Inclusive Development	Applied braille packaging / Developed and distributed First-Time Sanitary Panties	
	Daldabang / We Are on Period / We Have Menstruation (Menstruation and Health Information Platforms)	Developed first-period/menstrual education materials and outreach to raise proper awareness of menstruation	
	Hope for Daughters	Contributed to a culture of gender equality through employee fundraising	
	Cheer Up Daughters	Contributed to promoting universal menstrual rights through donation of First-time Sanitary Panties/sanitary pads (1 million pads)	
	Employee 1% Depend Donation	Donated Depend products to the economically vulnerable populations	
	Today Plus	Produced and communicated informational content for senior citizens	
	Happy Clean Campaign	Developed and distributed educational materials to improve children’s hygiene awareness Improved hygiene conditions for vulnerable groups by donating Kleenex products and improving bathrooms	
	Happy Bean Good Action	Donated skin care products for youths preparing for independence	

사람이 희망이다

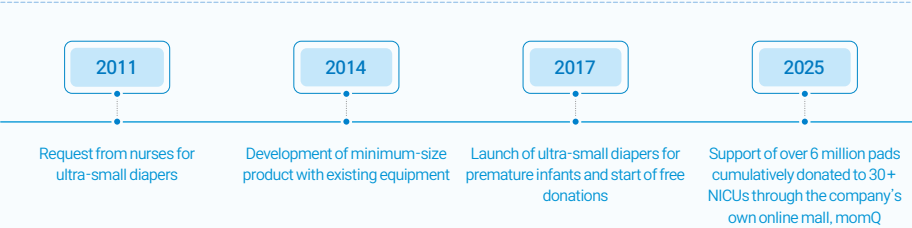
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Creating Community Value

Donation and Sharing Activities

The Story Behind the Creation of Ultrasmall Diapers for Premies

Ultra-small diapers for premature infants have been developed to accommodate the small body size and delicate skin of premature babies who require special care in the Neonatal Intensive Care Unit (NICU). Designed with soft materials, a thin and flexible structure, and precise weight-based specifications, the diaper allows premature infants to wear it more comfortably.



A Product Built on Responsibility, Not Just Efficiency



Jae Won Jang, Process Engineer, Baby & Child Care Production 1 Workgroup, Taejeon Mill

A Responsibility to Protect Small Lives



Jin Ho Ryu, Head of the Baby & Child Care Division

Diapers for premature infants are managed entirely separately from other products under the same brand. Given how little premature infants move and how delicate their skin is, both the design and the equipment used are different, and production preparation takes considerably more time. While it may be a demanding product from an efficiency standpoint, we have taken it on with pride as the sole manufacturer of such a product. When my first child was born prematurely at 1.09kg and was cared for in the NICU, seeing my child wearing the diapers I had helped produce made me realize just how meaningful this product is.

Having a child arrive a little earlier than expected into the arms of their parents is a source of great joy, yet also of worry. As a parent of a premature infant myself, I witnessed firsthand how these diapers are used in the NICU, and as a product developer, I was able to bring the firsthand perspective into product improvements. As both a parent of a premature infant and a product development lead, seeing premature babies and their families grow strong and healthy gives me tremendous motivation. Huggies will continue working to help premature infants grow up even healthier.

Consumer Donation Platform

Yuhan-Kimberly's donation platform, run in partnership with Naver Happybean, operates as a participatory donation model that allows consumers to take part in donations and connect emotionally with the cause. Bringing together the company, employees, and consumers, the platform aims to improve quality of life for vulnerable populations and expand social impact. In 2025, 20,064 consumers participated in donations, and 31,225 people joined the campaign through supportive comments. Through this platform, donated goods were delivered to 151 organizations, reaching 11,614 people.



Yuhan-Kimberly x Happy Bean Donation Platform

Employee Donations

Yuhan-Kimberly encourages employee-driven donation activities as part of its commitment to sustainable management and social responsibility. Under the "1% Monthly Salary Donation" campaign, which has been in place since 2015, employees donate 1% of their November salary with the company matching an additional amount based on employee contributions. In 2025, the campaign was used to support recovery efforts following the large-scale wildfire in Gyeongsangbuk-do. A total of 716 employees voluntarily participated, raising approximately KRW 35.53 million, which will be used to support the recovery of affected residents and the mid-to-long-term restoration of damaged forests. The Hope for Daughters donation relay is a voluntary employee-driven initiative that has continued since 2005, promoting a culture of gender equality and advancing women's rights. In 2025, 664 employees participated, raising approximately KRW 26.34 million, donated to the Korea Foundation for Women through Happy Bean.



2025 Hope for Daughters Donation

Braille-Packaged Sanitary Pad Donations for the Visually Impaired

To improve product information accessibility and ease of use for visually impaired consumers, Yuhan-Kimberly began developing braille packaging in 2019 and has supplied Goodfeel La Nature sanitary pads since 2023. On the occasion of White Cane Safety Day¹⁾ in 2025, the company donated 8,400 braille packaged sanitary pads to the Korea Blind Union, along with Greenfinger skincare products with braille tags attached. These efforts expand product choice and ensure universal menstrual rights by improving product information accessibility for visually impaired consumers and creating a safe product experience.

1) White Cane Safety Day: observed every October 15 to honor the rights and dignity of visually impaired

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Creating Community Value

Social Contribution Activities for Local Communities

Community Sharing Projects

Building on shared growth with local communities, each plant pursues social contribution activities funded by a Community Development Fund developed through labor-management cooperation. The fund supports a variety of welfare and support activities reflecting local community needs. In 2025, the fund was operated as a consumer matching program, with 6,801 consumers participating in fundraising; the resulting funds were delivered to 8 organizations, including the Community Chest of Korea in the regions surrounding the three manufacturing plants. These efforts supported vulnerable groups and promoted welfare in local communities, strengthening the foundation for ongoing mutual growth with the community.

Hope Bank—Sharing Diapers with Community

Yuhan-Kimberly’s manufacturing sites practice their role as corporate citizens through community-based volunteer activities. Employees take part in the “Hope Bank” diaper donation volunteer program each year, supporting local childcare facilities and vulnerable families. In 2025, employees at the Kimcheon, Taejon and Choongju Mills volunteered to repackage diapers and delivered diapers to childcare facilities and families in need, working with local community organizations. The Choongju Mill supported 42 children across 4 childcare facilities through the Chungbuk Community Chest, the Taejon Mill supported 135 individuals across 12 organizations through Save the Children, and the Kimcheon Mill delivered diapers to 6 organizations in the region through the Gyeongbuk Community Chest. As of 2025, Hope Bank has donated a cumulative total of approximately 6.26 million diaper pads.



Choongju Mill



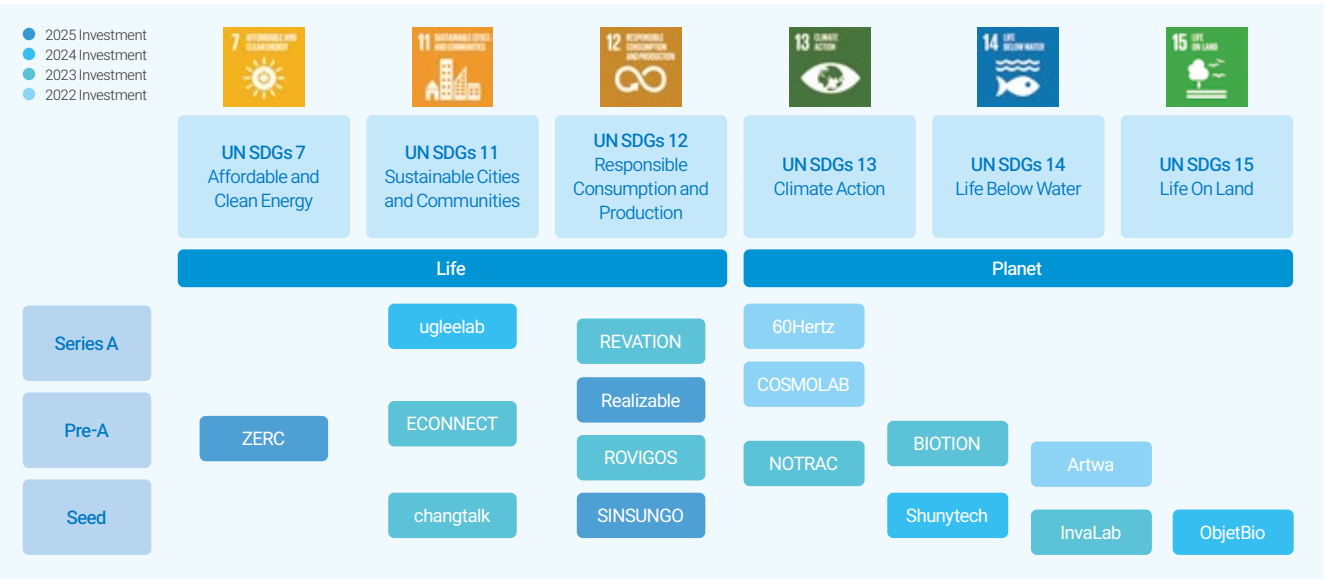
Kimcheon Mill

Activities for Social Impact Creation and Collaboration

Keep Korea Green Impact Fund

Yuhan-Kimberly operates the “Keep Korea Green Impact Fund Project” to identify and foster technology-based startups addressing social and environmental issues. In partnership with the nonprofit PPL Korea and MYSC, the project provides direct investment and commercialization support to promising startups in the fields of everyday life, health, and the global environment. Investment returns are reinvested back into the project, creating a sustainable investment ecosystem. To date, a cumulative total of 15 companies have been selected for TIPS¹⁾ and Deep Tech TIPS, and in 2025, 2 companies were selected for the KOICA CTS²⁾ program. The same year, it also identified a total of 14 companies for future collaboration and investment.

Keep Korea Green Impact Fund’s Alignment with the UN Sustainable Development Goals (SDGs)



Senior Impact Fellowship

Yuhan-Kimberly identifies and supports social entrepreneurs working on innovations for the senior sector, in response to the structural challenges of a super-aged society. In partnership with the Beautiful Foundation’s Work Together program, the company runs the “Senior Impact Fellowship,” selecting companies with strong innovation and social impact to support the development of the senior industry ecosystem and job creation. In 2025, two companies were selected from 77 applicant teams under the 3rd fellowship. Selected companies received seed funding, expert mentoring, investment connections, and networking opportunities to support their business development. Among the third cohort, “Dolbom Dream” offers a contactless, biometric signal-based senior healthcare platform, while “Sinol” operates a social community platform for active seniors aged 50 and older.

1) TIPS: Government-linked technology startup support program based on private investment
2) CTS: Program that applies innovative ideas and technology to ODA to resolve challenges in development cooperation and achieve the SDGs

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Creating Community Value

Yuhan-Kimberly’s Social Contribution Activities in Numbers

People¹⁾

Contents	Unit	Beginning Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Cumulative Contribution ²⁾
Baby & Child														
Diaper donation (premature infants and Hope Bank)	Pad	2012	487,146	532,950	919,914	1,072,374	3,266,898	1,158,984	1,250,454	1,103,133	956,551	985,889	1,024,393	13,646,980
Senior														
Helping underprivileged seniors (1% of monthly salary donation)	Person	2015	1,277	877	1,042	1,040	1,019	2,242	848	874	805	639	544	11,200
Senior (Impact Fellowship)	Person	2023	-	-	-	-	-	-	-	-	3	2	2	7
Women														
NGO Women (Leadership Education)	Person	2007	72	70	36	70	72	83	81	83	78	70	69	1,274
Newlyweds (Life-Loving School)	Person	2009	166	180	288	304	544	890	7,616	26,024	294	130	100	37,562 ³⁾
Low-income women (sanitary pad donation)	Person	2016	-	699,786	13,888	10,393	4,925	7,159	6,220	6,587	8,200	6,575	5,077	768,810
Creating a gender-equal society (employee donation relay)	Person	2005	793	861	1,253	1,211	1,138	1,152	975	785	921	777	664	12,867
Consumer education (education on youth menstruation)	Person	1972	323,917	299,681	354,360	367,540	867,924	896,200	1,153,934	611,996	317,339	414,389	251,564	20,126,761

1) Major achievements regarding total beneficiaries and participants (excluding indirect participants) were summarized by field.
2) Total cumulation of contribution activities from the beginning year
3) Including YouTube online broadcast viewers from 2021 to 2024

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About Yuhan-Kimberly

Company Overview

Founded in 1970 as a joint venture between Yuhan Corporation and Kimberly-Clark, Yuhan-Kimberly has led the growth of Korea’s everyday hygiene products market and the development of hygiene culture over the past 56 years. Today, the company provides products and services across a wide range of business areas, including B2C household goods such as diapers, sanitary pads, and toilet paper, as well as B2B professional solutions that support hygiene and safety in industrial and medical settings, and non-woven fabric materials. Anchored by leading brands including Kleenex, Huggies, and Goodfeel, the company holds the largest domestic market share in its core product categories—diapers, sanitary pads, and facial tissues—while expanding its global growth foundation through exports to 33 countries. Yuhan-Kimberly is committed to realizing the values of life, health, and the environment through innovative products and services.

Company Information

(As of 2025)

Company Name	Yuhan-Kimberly, Ltd.	CEO & President	JayHoon Lee (appointed on January 15, 2025)
Date of Incorporation	March 30, 1970	Number of Employees	1,307
Form of Company	Joint venture (Yuhan Corporation & Kimberly-Clark)	Revenue	KRW 1,402.8 billion
Headquarters	29th Floor, Lotte World Tower, 300 Olympic-ro, Songpa-gu, Seoul, Republic of Korea	Business Areas	Consumer hygiene products, industrial products, medical products, etc.
Major Export Markets	33 countries, including Australia, New Zealand, U.S., Canada, Taiwan, Thailand, India, China, Mongolia, Hong Kong, Malaysia, Singapore, Vietnam, Japan, the Philippines, Indonesia		

Business Sites

● Headquarters

● Innovation Center

● Plants

● Base Office

1 Headquarters (Jamsil)

Houses marketing, sales, finance, sustainability, HR, procurement, logistics, export, etc.

2 Innovation Center (Seocho)

R&D for innovative product development and new business expansion

3 Plants

· Kimcheon Mill produces and supplies family care products and B2B hygiene paper products such as toilet paper, hand towels and non-woven fabrics

· Taejeon Mill produces and supplies finished baby & child care products and feminine care products (sanitary pads, tampons), and advanced non-woven fabric materials

· Choongju Mill produces and supplies feminine care products (liners, overnight panties) and specialized incontinence care products

4 Regional Offices (Busan, Daegu, Gwangju, Taejeon)

Value System

Vision

We Act For Life-Health-Planet

Strategic Directions

Growing core businesses
GROW

Expanding new businesses
INVEST

Innovating value chain
INNOVATE

Strengthening winning culture
WIN

Contributing to society and the environment
CARE

Core Values

Accountability*

Collaboration

Agility

Transformation

Business Areas and Brands

Classification	B2C				B2B	
	Hygiene Products				Skin Care	Industrial Products
	Baby & Child Care	Family Care	Feminine Care	Aging Care	Child Care	Healthcare
Brand	Diapers, baby wet wipes, etc.	Toilet paper, facial tissues, cleaning products, etc.	Sanitary pads (pads, tampons)	Incontinence liners, pads, underwear, etc.	Skin care and baby accessories, etc.	Protective clothing, wipers, gloves, masks, etc.

People: Our Strength and Source of Hope

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ESG Data | Economy & Governance

Financial Performance

Category	Unit	2023	2024	2025
Revenue	KRW 100 million	14,440	13,809	14,028
Operating profit	KRW 100 million	2,025	1,865	1,591
Total assets	KRW 100 million	8,330	8,481	8,266

Share of Domestic Sales and Exports

Category	Unit	2023	2024	2025
Domestic Sales Ratio	%	92.2	91.3	90.3
Export Ratio	%	7.8	8.7	9.7

Revenue Growth Rate by Business Unit

Category		Unit	2023	2024	2025
Revenue Growth Rate	B2C	%	-3.2	-5.1	2.0
	B2B	%	-9.3	-1.1	-0.2

Economic Value Distribution

Category			Unit	2023	2024	2025
Shareholders	Dividends ¹⁾		KRW 100 million	1,700	1,600	1,550
Employees	Salaries and benefits ²⁾		KRW 100 million	2,123	2,162	2,334
Suppliers	Costs of goods and services purchased		KRW 100 million	9,463	8,979	9,435
Local community	Government	Corporate income tax and other taxes and fees	KRW 100 million	725	582	533
	Local community/ consumers	Social contribution expenses	KRW 100 million	53	56	49

1) Accrual accounting applied
2) Calculated based on total labor costs of the company including labor costs in the Manufacturing Function; the audit report only discloses labor costs included in selling, general and administrative expenses, which results in a discrepancy in figures.

R&D Activities and Investment Performance

Category	Unit	2023	2024	2025
R&D personnel	Person	57	56	51
Facilities investment	KRW 100 million	656	455	417
R&D investment	KRW 100 million	142	152	154
New product revenue	KRW 100 million	1,698	1,214	1,960
Facility investment as percentage of revenue	%	4.5	3.3	3.0
R&D investment as percentage of revenue	%	0.98	1.10	1.10
New product contribution to revenue percentage	%	11.8	8.8	14.0

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ESG Data | Economy & Governance

Ethics and Compliance

Unethical Conduct Reports by Stakeholder

Category	Unit	2023	2024	2025
Suppliers	Case	0	0	0
Employees	Case	0	0	0
Consumers	Case	0	0	0
Other	Case	0	0	0

Number of Reported Code of Conduct Violations

Category	Unit	2023	2024	2025
Workplace sexual harassment/bullying	Case	0	1	0
Personal use of company assets	Case	0	0	0
Business process violations ¹⁾	Case	0	0	0
Bribery and gratuities to suppliers	Case	0	0	0
Attendance violations	Case	0	0	0
Leakage of trade secrets	Case	0	0	0
Other ²⁾	Case	2	0	0

1) Violation of business procedures and work rules
2) Violation of the obligation to maintain dignity as an employee

Number of Disciplinary Actions for Code of Conduct Violations

Category	Unit	2023	2024	2025
Workplace sexual harassment/bullying	Case	2	1	0
Personal use of company assets	Case	0	0	0
Business process violations ¹⁾	Case	1	2	0
Bribery and gratuities to suppliers	Case	0	0	0
Attendance violations	Case	1	0	0
Leakage of trade secrets	Case	0	0	0
Other ²⁾	Case	0	0	1

1) Violations of business procedures and work rules
2) Violation of the obligation to maintain dignity as an employee

Anti-Competitive Conduct

Category	Unit	2023	2024	2025
Litigation related to violations of anti-competition and antitrust violations ¹⁾	Case	0	0	0

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

Education

Category	Unit	2023	2024	2025
Code of Conduct training	Targets ¹⁾	Person	685	664
	Participants	Person	685	664
	Completion rate	%	100	100
Fair trade training	Targets ²⁾	Person	24	74
	Participants	Person	20	62
	Completion rate	%	83	84
Statutory education ³⁾	Targets ⁴⁾	Person	1,419	1,321
	Participants	Person	1,419	1,321
	Completion rate	%	100	100

1) Salaried employees as of the start date
2) Calculated based on training records from January 1 to December 31 of the previous year
3) Disability awareness training, sexual harassment prevention training and workplace harassment prevention training
4) All employees as of the start date (excluding mid-year resignations and leave of absence, etc.)

Government Subsidies

Category	Unit	2023	2024	2025
Government subsidies received ¹⁾	KRW 100 million	0	23 ²⁾	251

1) Including government subsidies of a cost nature : the audit report only records asset-related government subsidies, which results in a discrepancy in figures
2) Biodegradable material development project (2024-2028)

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ESG Data | Environment

Environment^{1) 2)}

Greenhouse Gas (GHG) Emissions

Category		Unit	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
GHG emissions allowance (target)		tCO ₂ e	243,016	236,637	204,434	204,434	204,434	213,194	213,194	212,621	210,578	210,514	
Total emission (Scope 1 + Scope 2) ³⁾		tCO ₂ e	204,943	202,986	202,102	202,435	201,903	192,751	192,694	191,357	199,589	202,680	
Direct emissions (Scope 1)	Total	tCO ₂ e	20,638	21,257	22,829	23,750	23,221	22,186	24,373	25,989	28,083	27,766	
	Emissions by plant	Kimcheon	tCO ₂ e	20,350	20,954	22,521	23,464	22,913	21,765	23,903	25,564	27,575	27,296
		Taejon	tCO ₂ e	36	44	36	44	33	16	19	14	24	25
		Choongju	tCO ₂ e	25	30	29	33	155	338	391	346	415	380
		Others ⁴⁾	tCO ₂ e	227	229	244	209	120	67	61	65	70	65
Indirect emissions (Scope 2)	Total	tCO ₂ e	184,308	181,730	179,274	178,689	178,684	170,568	168,325	165,371	171,508	174,917	
	Emissions by plant	Kimcheon	tCO ₂ e	132,870	134,835	135,141	133,463	130,579	123,093	124,019	122,968	130,519	129,381
		Taejon	tCO ₂ e	37,462	32,617	29,274	29,502	32,667	33,647	29,788	28,086	25,696	30,377
		Choongju	tCO ₂ e	12,125	12,488	13,266	14,168	14,508	12,964	13,632	13,471	13,935	13,594
		Others ⁴⁾	tCO ₂ e	1,851	1,791	1,594	1,556	931	864	885	846	1,358	1,566
GHG emission intensity(Scope 1 +Scope 2)		tCO ₂ e/product ton	0.812	0.865	0.916	0.903	0.845	0.821	0.857	1.107	0.933	0.945	
Other Indirect Emissions (Scope 3) ^{5) 6)}	Total	tCO ₂ e	-	-	-	9,345	9,725	10,262	639,669	600,445	535,575	-	
	Upstream	Purchased goods and services	tCO ₂ e	-	-	-	-	-	-	332,110	299,787	247,601	-
		Capital goods	tCO ₂ e	-	-	-	-	-	-	1,883	1,589	1,695	-
		Fuel- and energy-related activities	tCO ₂ e	-	-	-	-	-	-	32,548	29,172	29,700	-
		Upstream transportation and distribution	tCO ₂ e	-	-	-	-	-	-	21,001	25,066	26,826	-
		Waste generated in operations	tCO ₂ e	-	-	-	-	-	-	917	953	812	-
		Business travel	tCO ₂ e	-	-	-	-	-	-	265	306	812	-
	Other Indirect Emissions (Scope 3) ^{5) 6)}	Employee commuting	tCO ₂ e	-	-	-	-	-	-	682	685	656	-
		Upstream leased assets	tCO ₂ e	-	-	-	-	-	-	47	33	53	-
		Downstream transportation and distribution	tCO ₂ e	-	-	-	-	-	10,262	6,302	5,257	5,895	-
	Downstream	Processing of sold products	tCO ₂ e	-	-	-	-	-	-	-	-	-	-
		Use of sold products	tCO ₂ e	-	-	-	-	-	-	8,062	9,927	10,051	-
		End-of-life treatment of sold products	tCO ₂ e	-	-	-	-	-	-	235,854	227,671	211,474	-
		Downstream leased assets	tCO ₂ e	-	-	-	-	-	-	-	-	-	-
		Franchises	tCO ₂ e	-	-	-	-	-	-	-	-	-	-
		Investments	tCO ₂ e	-	-	-	-	-	-	-	-	-	-

1) Yuhan-Kimberly generally reports 10 years of data, but indicators newly added in 2023 are reported for the most recent 5 years only
2) The scope of environmental performance reporting is based on consumption at Yuhan-Kimberly headquarters and manufacturing plants (Kimcheon, Taejon and Choongju)
3) GHG emissions are based on emissions submitted for emission allowances, and there may be a discrepancy with the final figure as emissions at business sites are rounded down
4) Includes Seocho Research Institute, Jukjeon Life Innovation Center (closed 2023), headquarters, and Anyang Logistics Center
5) For 2020 – 2021, only downstream transportation and distribution was included in the calculation. However, in 2024, we developed a Scope 3 self-assessment tool and now cover 11 categories (C10. Processing of sold products, C13. Downstream leased assets, C14. Franchises and C15. Investments categories are not applicable)
6) In 2025, the Scope 3 calculation methodology and operating system were being restructured, and thus emissions for the year were not calculated

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Environment

Energy

Category	Unit	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total energy consumption	TJ	4,009	3,977	3,967	4,074	4,112	3,957	3,947	3,865	4,002	4,074
Consumption by energy source	Electricity	TJ	2,900	2,830	2,787	2,814	2,726	2,683	2,669	2,755	2,810
	Steam	TJ	705	730	733	794	814	795	785	694	719
	LNG	TJ	401	413	445	463	453	476	509	550	544
	Other ¹⁾	TJ	3	4	3	3	3	3	3	3	3
Energy consumption intensity ²⁾	GJ/product ton	-	-	-	-	-	16.86	16.86	17.56	18.71	19.00
Renewable energy consumption ³⁾	TJ	0	0	0	0	0.45	0.46	0.46	0.44	0.45	0.46

1) Gasoline, diesel, LPG, propane
2) Managed from 2021 data
3) Installed solar power facilities at the Choongju Mill in 2020

Water Resources

Category	Unit	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water withdrawal	Total	m³	3,516,738	3,561,610	3,407,973	3,279,092	3,414,250	3,318,173	3,694,824	4,281,211	4,338,369
	Water withdrawal by source	River water	m³	3,332,427	3,401,403	3,227,216	3,097,578	3,199,174	3,454,334	4,072,796	4,148,195
		Industrial water	m³	36,060	29,914	43,261	45,386	70,541	72,724	107,411	54,060
		Municipal water supply	m³	148,251	130,293	137,496	136,128	144,535	145,139	135,079	136,114
	Water withdrawal intensity ¹⁾	m³/product ton	13.9	15.2	15.3	14.5	14.2	14.1	16.4	20.2	20.2
Recycling and reuse ²⁾	Recycling and reuse rate	%	39.7	35.0	33.5	33.7	29.8	29.9	28.4	25.4	27.6
Discharge ³⁾	Total discharge volume	m³	3,134,249	3,098,015	2,964,914	2,984,454	3,058,771	2,981,980	3,280,376	3,697,515	4,026,787
	Discharge intensity	m³/product ton	12.4	13.2	13.3	13.2	12.7	12.7	14.6	17.5	18.8
Consumption ⁴⁾	Total water consumption	m³	382,489	463,595	443,059	294,638	355,479	336,193	414,448	583,696	311,582
	Water consumption intensity	m³/product ton	1.5	2.0	2.0	1.3	1.5	1.4	1.8	2.8	1.5

1) For consistency in reporting, water withdrawal intensity is additionally disclosed
2) Recycled/reused water/(total water withdrawal + recycled/reused water) x 100
3) Total discharge volume has been disclosed starting since 2024 in accordance with GRI standards
4) Water consumption = water withdrawal – water discharge

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Environment

Waste

Category		Unit	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Total waste generated		ton	45,425	38,020	33,476	34,051	32,597	31,123	32,781	31,142	30,442	30,747	
Waste by disposal type	General waste	Total	ton	45,359	37,918	33,396	34,011	32,551	31,064	32,733	31,106	30,413	30,703
		Recycled	ton	44,460	37,217	32,805	33,529	32,250	30,584	32,480	30,862	30,197	30,478
		Incinerated	ton	806.56	648.41	548.12	400.78	289.49	409.85	253.11	229.73	215.52	225.00
		Landfilled	ton	91.74	52.61	42.50	80.51	11.19	70.68	0	14.39	0	0
	Designated waste	Total	ton	66.59	101.89	80.00	40.01	45.87	58.87	48.29	26.01	29.35	43.16
		Recycled	ton	32.28	28.64	38.34	21.38	22.37	15.24	12.68	20.46	11.63	23.63
		Incinerated	ton	33.34	73.25	41.66	18.63	23.5	43.63	35.61	11.39	17.72	19.53
		Landfilled	ton	0.97	0	0	0	0	0	0	0	0	0
Waste generation intensity		ton/product ton	0.18	0.16	0.14	0.15	0.13	0.13	0.14	0.15	0.14	0.14	
Waste recycling rate		%	97.9	97.5	97.9	98.6	99.1	96.3	99.3	99.2	99.2	99.2	
Waste Charge ¹⁾		KRW 100 million	86	77	68	67	68	69	75	71	68	72	

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

Pollutants¹⁾

Category		Unit	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water pollutant emissions	Total organic carbon (TOC) ²⁾	kg	-	-	-	-	-	-	-	30,050	32,718	36,916
	Biochemical oxygen demand (BOD)	kg	3,791	4,694	7,802	9,722	7,466	7,487	8,340	8,407	4,808	7,597
	Total Suspended Solids (SS)	kg	10,869	7,276	8,471	9,722	9,875	9,406	9,417	11,853	13,650	15,070
Air pollutant emissions	Nitrogen oxides (NOx) ³⁾	kg	-	-	-	-	-	3,904	4,936	11,646	16,753	14,354
	Sulfur oxides (SOx) ⁴⁾	kg	-	-	-	-	-	695	345	0	0	88
	Dust	kg	6,066	5,398	6,242	3,844	3,613	2,952	2,275	2,092	4,716	3,503

1) Since 2025, disclosed as total volume rather than intensity

2) Reported since 2023 to reflect the domestic regulatory transition of the organic pollutant indicator from COD to TOC

3) Measurement began in 2022 following stricter regulations

4) Reported since 2021

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Sustainable Raw Materials

Category		Unit	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Recycled paper usage rate ¹⁾		%	29.8	20.2	18.4	18.6	17.4	16.9	17.9	17.6	16.9	17.5
Domestic recycled fiber usage rate		%	71.8	59.8	54.3	56.9	60.7	58.9	65.8	83.1	64.6	67.2
Pulp	Pulp consumption)	ton	-	-	-	-	-	125,331	133,253	131,662	133,232	126,542
Packaging	Percentage of recycled plastic packaging ³⁾	%	-	-	-	-	-	-	17	30	35	40
	Packaging recycling contribution fee ⁴⁾	KRW 100 million	9	9	10	12	15	15	12	12	13	15
Palm oil	Palm oil consumption ⁵⁾	ton	-	-	-	-	-	-	38.73	30.01	26.02	27.56
	RSPO-certified palm oil used	ton	-	-	-	-	-	-	0	0	0	0

1) (Imported recycled paper usage + domestic recycled paper usage)/(Imported recycled paper usage + domestic recycled paper usage + pulp usage) x 100
2) Pulp consumption reported since 2021
3) (Recycled plastic used in packaging / total packaging materials used) x100
4) Calculated in accordance with the Act on the Promotion of Saving and Recycling of Resources
5) Calculated per shareholder Kimberly-Clark's methodology

Eco-friendly Purchases and Sales

Category		Unit	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Green purchases ¹⁾		KRW 100 million	-	-	-	1,013	829	934	1,171	1,391	1,583	1,542
Eco-friendly sales/ services	Eco-label certified products ²⁾	Number	-	-	-	-	37	35	40	36	39	50
	Revenue	KRW 100 million	-	-	-	-	370	371	341	380	292	407

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

Environmental Operating Costs

Category		Unit	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total environmental operating costs ¹⁾		KRW 100 million	171.9	148.1	126.0	132.9	131.6	130.4	147.4	163.0	142.2	247.9
Proportion to revenue		%	1.10	1.10	0.90	1.0	0.88	0.89	0.98	1.13	1.03	1.77

1) Calculated as the sum of capital projects, operations and maintenance, government payments, and research and development expenditures.

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Environment

Environmental Management System Implementation

Category		Unit	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Environmental (safety, etc.) management system certification ¹⁾	Percentage of certified business sites ²⁾	%	100	100	100	100	100	100	100	100	100	100
Environmental regulation	No. of violations ³⁾	Case	0	0	0	0	0	0	0	0	0	0

1) ISO 14001 and ISO 9001 certifications
2) Applicable Plants: Kimcheon Plant, Taejon Plant, and Choongju Plant
3) Disclosures on administrative dispositions amounting to fines or higher sanctions based on Article 22-7 (Revocation of Green Company Designation) of the Enforcement Decree of the Environmental Technology and Industry Support Act.

Environmental Training

Category		Unit	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
No. of participants in environmental training ¹⁾	Total	Person	1,612	1,163	817	842	890	998	895	1,396	923	436
	Status by business site	Kimcheon	549	256	308	321	363	452	438	1,104	462	140
		Taejon	422	428	420	398	470	327	311	205	205	158
		Choongju	641	479	89	123	57	219	146	87	256	138
Environmental training hours	Total	Hour	1,409	880	968	1,002	974	925	879	841	858	506
	Status by business site	Kimcheon	926	402	380	356	392	363.5	339.5	503	395	210
		Taejon	449	428	453	434	492	342	311	218	205	158
		Choongju	34	50	135	212	90	219	228	120	258	138

1) Includes regular environmental training, environmental management training, EMS personnel training, emergency response drills, environmental policies and safety guidelines, etc.

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Employees

Employment

Category		Unit	2023	2024	2025
Total number of employees		Person	1,429	1,369	1,307
Employment type	Permanent employees	Person	1,398	1,339	1,284
	Contract employees ¹⁾	Person	31	30	23
Job type	Production	Person	686	654	616
	Sales	Person	121	114	111
	Office	Person	622	601	580
Gender	Female	Person	296	297	294
	Male	Person	1,133	1,072	1,013
Country	Korea	Person	1,424	1,364	1,300
	Overseas ²⁾	Person	5	5	7
Age group	Under 30s	Person	63	60	66
	30s-50s	Person	806	745	679
	Over 50s	Person	560	564	562
Ratio of employees with disabilities ³⁾⁴⁾		%	2.2	2.2	2.2
Number of national merit recipients		Person	11	11	11
Average years of service		Year	22.3	22.5	22.5

1) Fixed-term contract positions
2) United States, China, Canada
3) (Number of employees with disabilities / number of regular employees as of December) * 100, per Korea Employment Agency for Persons with Disabilities standards
4) Severely disabled employees counted at double weighting

New Hires and Turnover

Category		Unit	2023	2024	2025
Total number of new hires ¹⁾		Person	41	60	51
Percentage of new hires by gender	Female	%	39	45	49
	Male	%	61	55	51
Turnover rate ²⁾³⁾		%	3.4	7.4	7.7
Voluntary turnover rate ⁴⁾		%	2.1	1.2	1.5

1) Includes permanent and contract employees
2) Limited to permanent employees, excluding fixed-term employees with contracts of two years or less
3) From this year, the denominator was standardized to total employees for the reporting year; figures for all three years were recalculated
4) (Total number of voluntary resignations during the year / total number of employees at year-end x 100

Employee Satisfaction¹⁾

Category		Unit	2023	2024	2025
Number of employee satisfaction survey respondents	Total	Person	1,214	1,186	1,177
	Female	Person	209	224	230
	Male	Person	1,005	962	947
Average employee satisfaction survey score	Total	Point	76	72	75
	Female	Point	67	59	68
	Male	Point	78	75	76

1) Engagement score from the myVoice survey

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Employees

Competency Development Training

Category	Unit	2023	2024	2025
Total training cost	KRW 10,000	51,975	39,804	32,568
Total training hours	Hour	68,489	80,085	86,351
Number of participants (target)	Person	1,429	1,369	1,307
Average training cost per employee ¹⁾	KRW 10,000	36.4	29.1	24.9
Training hours per employee	Hour	47.9	58.5	66.1

1) Total training cost / number of training targets

Safety and Health

Category	Unit	2023	2024	2025	
Number of industrial accidents ¹⁾	Case	2	0	5	
Industrial accident rate ²⁾	%	0.10	0	0.24	
Employee total recordable injury rate (TRIR) ³⁾	Case	0.58	0.45	0.47	
Employee lost time injury rate (LTIR) ⁴⁾	Case	0.13	0.19	0.34	
Supplier lost time injury rate (LTIR) ⁴⁾	Case	0	0.15	0	
Number of fatal accidents	Case	0	0	0	
Occupational illness frequency rate (OIFR) ⁵⁾	%	0	0	0	
Training	Total training hours	Hour	22,112	18,830	55,980
	Number of participants	Person	944	901	807
	Training hours per employee	Hour	23.4	20.9	69.8

- 1) Employees
- 2) (Number of accident victims / number of regular employees) x 100
- 3) Based on KC Reportable standard, including MTC
- 4) Per the Industrial Safety and Health Act ((lost-time injury cases x 200,000) / total hours worked)
- 5) (Number of occupational illness cases / total work hours) x 200,000

Female Workforce

Category	Unit	2023	2024	2025
Percentage of female employees	%	20.7	21.7	22.5
Percentage of female permanent employees ¹⁾	%	20.4	20.8 ²⁾	21.6
Percentage of women in profit-generating departments ³⁾	%	39.1	36.6	37.0
Percentage of women in STEM departments ⁴⁾	%	18.1	18.8	19.0
Percentage of female managers(work leader and above ⁵⁾)	%	15.8	16.5	17.8
Percentage of female executives	%	18.2	18.2	13.8

- 1) (Female permanent employees / total permanent employees) x 100
- 2) Corrected due to a data entry error identified in the previously disclosed figure
- 3) Refers to departments directly involved in product or service delivery, excluding support positions such as HR, IT, legal, etc.
- 4) Jobs that use STEM (Science, Technology, Engineering, and Mathematics) skills on the job
- 5) Work leaders, plant managers, division leaders and function leaders

Maternity Leave and Childcare

Category		Unit	2023	2024	2025	
Maternity	Number of maternity leave users	Person	4	7	6	
	Return-to-work rate after maternity leave ¹⁾	%	100	100	100	
Childcare	Number of paternal leave users by gender	Female	Person	15	16	16
		Male	Person	2	2	6
	Childcare leave usage rate for female employees ²⁾	%	100	100	100	
	Return-to-work rate after paternal leave ³⁾	%	90	100	86	
	Retention rate after return from paternal leave ⁴⁾	%	100	89	100	

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

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Employees

Recharge Leave Program

Category	Unit	2023	2024	2025
Number of eligible employees ¹⁾	Person	721	692	670
Annual leave days used ²⁾	Day	22	22	21

1) Office and sales workers
2) Average number of annual leave days used, including recharge leave days: the recommended recharge leave days of 19, 21, and 29 include 5 year-end recharge leave days.

Flexible Work System

Category	Unit	2023	2024	2025
Number of employees using selective work system	Person	15	15	11
Number of employees using recognized work system	Person	107	101	99
Number of employees using autonomous work system ¹⁾	Person	146	139	136
Number of employees using remote work system ²⁾	Person	13	12	10

1) Among leaders eligible for the autonomous work system, sales leaders are classified under the recognized work system.
2) The number of employees using the remote work system is based on those who applied for and received approval to work remotely for reasons such as child-rearing in accordance with the remote work guidelines.

Retirement Pension Support

Category		Unit	2023	2024	2025
DC	Number of subscribers	Person	438	443	510
DB	Number of subscribers	Person	919	830	692

Labor Union

Category	Unit	2023	2024	2025
Number of union members	Person	701	670	633
Union membership rate ¹⁾	%	99.6	99.4	98.9
Collective bargaining coverage rate ²⁾	%	100	100	100

1) (Number of union members / number of employees eligible for union membership) x 100
2) The Collective agreement operates under a general binding effect applying equally to union and non-union members, covering all employees

Information Security

Category		Unit	2023	2024	2025
Information security violations	Number of information security violations ¹⁾	Case	0	0	0
Training	Number of eligible employees	Person	694	638	604
	Number of participants	Person	682	638	604
	Total completion rate	%	98.3	100	100

1) Number of fines or administrative penalties imposed by government agencies (Ministry of Science and ICT, Personal Information Protection Commission, etc.) for regulatory violations

Product Safety

Category		Unit	2023	2024	2025
Product safety regulation violations	Number of product safety regulation violations ¹⁾	Case	0	0	0
Product recalls	Number of voluntary/ involuntary product recalls	Case	0	0	0
Labeling and advertising violations	Number of labeling and advertising violations ²⁾	Case	0	0	0

1) Calculated based on violations under applicable laws by product category, including the Pharmaceutical Affairs Act, Cosmetics Act, Medical Devices Act, Food Sanitation Act, Hygiene Products Management Act, Chemical Substances Control Act, Industrial Safety and Health Act, and Special Act on Safety Control of Children's Products
2) Calculated based on all laws related to labeling and advertising, including the Fair Labeling and Advertising Act and other related regulations of the Korea Fair Trade Commission

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Consumer Satisfaction

Consumer Service Status

Category	Unit	2023	2024	2025
Total number of consumer service inquiries	Case	127,173	189,237	204,844
Service inquiries	Case	102,061	161,205	173,860
Product inquiries	Case	25,112	28,032	30,984
Grievance resolution rate ¹⁾²⁾	%	100	100	100

- 1) If the consumer cannot be reached (e.g., due to absence), we attempt to make contact for up to 30 days from the initial request. If the consumer remains unreachable, we will leave a text message stating “ We will assist you when you contact us ” and change the case status to “ completed ” according to protocol.
- 2) Consultations terminated through the exercise of the right to discontinue service under the Occupational Safety and Health Act are excluded from the calculation of the grievance resolution rate.

Consumer Satisfaction Status

Category	Unit	2023	2024	2025
Complaint resolution/satisfaction improvement actions	Person	7,443	5,037 ¹⁾	3,289
Consumer inquiry satisfaction score ²⁾³⁾	Point	96.4	96.3	96.5

- 1) Decrease in the number of consumer complaints requiring satisfaction improvement activities
- 2) (Number of satisfied consumers / total number of survey respondents) × 100
- 3) Based on external surveys (NCSI, etc.) and internal surveys, including service and product satisfaction surveys for both B2C consumers and B2B clients

Recall Status

Category	Unit	2023	2024	2025
Cost of recall ¹⁾	KRW 1 million	0	0	0

- 1) Includes costs of collected and disposed products, collection process costs, customer compensation costs, and fines/penalties under applicable laws and regulations

Suppliers

Supplier Procurement Status

Category		Unit	2023	2024	2025
Total number of suppliers		No. of suppliers	1,250	1,243	1,255
Purchase by supplier type	Primary materials	No. of suppliers/amount (KRW 100 million)	93/3,754	87/3,478	127/3,591
	ECM ¹⁾	No. of suppliers/amount (KRW 100 million)	60/1,637	56/1,845	80/2,302
	Others ²⁾	No. of suppliers/amount (KRW 100 million)	1,097/3,170	1,100/2,867	1,048/2,643

- 1) External Contract Manufacturing: companies that produce and supply finished products
- 2) Includes subcontracting, direct-trade distribution agencies, advertising agencies, IT, and finance-related companies

Supplier ESG Management

Category	Unit	2023	2024	2025
Supplier Assessment Tool (SAT) implementation rate	%	71	73	80
Supplier Assessment Tool (SAT) average score	Point	88	88	89
Percentage of new suppliers signing integrity pledges	%	100	100	100

Mutual Growth

Category		Unit	2023	2024	2025
Financial support amount ¹⁾		KRW 100 million	170	170	170
Number of technical support cases	Technical support	Case	65	73	13
	Technical protection	Case	6	6	6
Suppliers receiving manpower support		No. of suppliers	14	14	18

- 1) Support through the Mutual Growth Cooperation Fund

Local Community

Category	Unit	2023	2024	2025
Donations	KRW 1 million	3,026	3,003	2,520
Membership fees for affiliated organizations	KRW 1 million	206	204	212

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GRI Index

Statement of use	Yuhan-Kimberly has reported in accordance with the GRI Standards for the period from January 1, 2025 to December 31, 2025.
GRI 1 used	GRI 1 : Foundation 2021
Applicable GRI Sector Standards	Currently not applicable (As of the reporting date in June 2026, no GRI Sector Standard has been published for the industries applicable to Yuhan-Kimberly)

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	2-2 Entities included in the organization’s sustainability reporting	2	
	2-3 Reporting period, frequency and contact point	2	
	2-4 Restatements of information	-	Data that differ from the previous year are separately noted in the footnotes
	2-5 External assurance	115-116	
	2-6 Activities, value chain and other business relationships	5	
	2-7 Employees	97	
	2-8 Workers who are not employees	-	We disclose non-affiliated external workers under the employment type disclosure system.
	2-9 Governance structure and composition	7, 21	
	2-10 Nomination and selection of the highest governance body	21	
	2-11 Chair of the highest governance body	N/A	As an unlisted company with no disclosure obligation under the Commercial Code, we do not report this information.
	2-12 Role of the highest governance body in overseeing the management of impacts	7	
	2-13 Delegation of responsibility for managing impacts	7	
	2-14 Role of the highest governance body in sustainability reporting	7, 12, 21	
	2-15 Conflicts of interest	N/A	As an unlisted company with no disclosure obligation under the Commercial Code, we do not report this information.
	2-16 Communication of critical concerns	7, 21	
	2-18 Evaluation of the performance of the highest governance body	N/A	As an unlisted company with no disclosure obligation under the Commercial Code, we do not report this information.
	2-19 Remuneration policies	8, 21	
	2-20 Process to determine remuneration	8, 21	
	2-21 Annual total compensation ratio	Confidentiality Constraints	Not disclosed due to confidentiality
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	4	
	2-23 Policy commitments	22, 32, 64	
	2-24 Embedding policy commitments	24-25, 32-34, 64-65	

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GRI Index

Topic	Index	Reporting Page	Comment
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	26-28, 65	
	2-26 Mechanisms for seeking advice and raising concerns	24, 65	
	2-27 Compliance with laws and regulations	91, 96, 99	
	2-28 Membership associations	108-110, 118	
	2-29 Approach to stakeholder engagement	10-12	
	2-30 Collective bargaining agreements	99	
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	12-15	
	3-2 List of material topics	13	
Material Topic 1. Product Safety and Quality			
GRI 3: Material Topics 2021	3-3 Management of material topics	14-15, 70-72	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	71-72	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	99	
Material Topic 2. Packaging and Plastics			
GRI 3: Material Topics 2021	3-3 Management of material topics	14-15, 35-39	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	95	
	301-2 Recycled input materials used	95	
	301-3 Reclaimed products and their packaging materials	40	
Material Topic 3. Consumer Hygiene and Health			
GRI 3: Material Topics 2021	3-3 Management of material topics	14-15, 70-72	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	71-72	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	99	
Material Topic 4. Resource Circulation and Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	14-15, 39-40	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	39	
	306-2 Management of significant waste-related impact	40	
	306-3 Waste generated	94	
	306-4 Waste diverted from disposal	94	
	306-5 Waste directed to disposal	94	

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Topic	Index	Reporting Page	Comment
Material Topic 5. Consumer Relations and Trust/Transparency			
GRI 3: Material Topics 2021	3-3 Management of material topics	14-15, 70-72, 73-76	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	72	
	417-2 Incidents of non-compliance concerning product and service information and labeling	99	
	417-3 Incidents of non-compliance concerning marketing communications	99	
Material Topic 6. Sustainable Product and Technology Development			
GRI 3: Material Topics 2021	3-3 Management of material topics	14-15, 35-38	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	95	
	301-2 Recycled input materials used	95	
	301-3 Reclaimed products and their packaging materials	40	
Material Topic 7. Ethics and Legal Compliance Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	14-15, 22-25	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	24, 91	
	205-3 Confirmed incidents of corruption and actions taken	91	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	91	
Material Topic 8. Energy Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	14-15, 43-45	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	93	
	302-3 Energy intensity	93	
	302-4 Reduction of energy consumption	44	
	302-5 Reductions in energy requirements of products and services	N/A	Yuhan-Kimberly products do not require energy during use.
Material Topic 9. Hazardous Chemical Substance Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	14-15, 42, 70-72	
SASB	CG-HP-250a.3 Discussion of process to identify and manage emerging materials and chemicals of concern	71	
Material Topic 10. Sustainable Growth Strategy			
GRI 3: Material Topics 2021	3-3 Management of material topics	14-15, 35-39, 50-56	
Non- GRI	No topic-specific standard available	-	

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GRI Index

Topic	Index	Reporting Page	Comment
Non-material Topics			
GRI 101 : Biodiversity 2024	101-2 Management of biodiversity impacts	46	Not applicable as no research and development utilizing genetic resources or traditional knowledge is conducted.
	101-3 Access and benefit-sharing	N/A	
	101-4 Identification of biodiversity impacts	46-47	
	101-5 Locations with biodiversity impacts	46-47	
GRI 201 : Economic Performance 2016	201-1 Direct economic value generated and distributed	90	
	201-2 Financial implications and other risks and opportunities due to climate change	43	
	201-3 Defined benefit plan obligations and other retirement plans	58	
	201-4 Financial assistance received from government	91	
GRI 203 : Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	82-87	
	203-2 Significant indirect economic impacts	82, 87	
GRI 207 : Tax 2019	207-4 Country-by-country reporting	90	
GRI 303 : Water and Effluents 2018	303-1 Interactions with water as a shared resource	41	
	303-2 Management of water discharge-related impacts	41	
	303-3 Water withdrawal	93	
	303-4 Water discharge	93	
	303-5 Water consumption	93	
GRI 305 : Emissions 2016	305-1 Direct (Scope 1) GHG emissions	92	
	305-2 Energy indirect (Scope 2) GHG emissions	92	
	305-4 GHG emissions intensity	92	
	305-5 Reduction of GHG emissions	44	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	94	
GRI 308 : Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	77	
	308-2 Negative environmental impacts in the supply chain and actions taken	78	
GRI 401 : Employment 2016	401-1 New employee hires and employee turnover	97	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	59-60	
	401-3 Parental leave	98	
GRI 402 : Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	-	Changes to the collective agreement are notified via the intranet on the day of its conclusion or the following day.

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Topic	Index	Reporting Page	Comment
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	67-68	
	403-2 Hazard identification, risk assessment, and incident investigation	64, 67-68	
	403-3 Occupational health services	70	
	403-4 Worker participation, consultation, and communication on occupational health and safety	62-63	
	403-5 Worker training on occupational health and safety	69, 98	
	403-6 Promotion of worker health	69	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	67-68	
	403-8 Workers covered by an occupational health and safety management system	-	100%
	403-9 Work-related injuries	98	
	403-10 Work-related ill health	98	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	98	
	404-2 Programs for upgrading employee skills and transition assistance programs	57-58	
	404-3 Percentage of employees receiving regular performance and career development reviews	58	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	97-98	
	405-2 Percentage of basic salary and remuneration of women to men	Confidentiality Constraints	Although we manage the information, it is not disclosed due to information confidentiality.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	91	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	64	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	64	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	64	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	65	No cases of violation
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	77	
	414-2 Negative social impacts in the supply chain and actions taken	78	
GRI 415: Public Policy 2016	415-1 Political contributions	N/A	No political contributions in accordance with requirements under the Political Funds Act and related regulations.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	99	

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TCFD Index

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

Category	TCFD Recommendation	Yuhan-Kimberly's Status	Reporting page
Governance	a) Board oversight of climate-related risks and opportunities	Through the ESG Committee, Yuhan-Kimberly discusses ESG issues and climate change. The ESG Committee meets semi-annually to review and approve climate risk assessments and response measures, and to manage and oversee sustainability-related risks and opportunities. The Board of Directors receives reports on major climate-related issues from the ESG Committee at least once a year.	43
	b) Management's role in assessing and managing climate-related risks and opportunities	The ESG Committee has the Environmental/Social/Governance Subcommittees, led by the Manufacturing Function Leader, the CEO, and the CFO, respectively, and the secretariat. The subcommittees assess and manage climate-related risks and opportunities. As subcommittee chair, the Manufacturing Function leader makes decisions on environment-related issues and risks, with key agenda items escalated to the ESG Committee and reported to the Board.	
Strategy	a) Climate-related risks and opportunities identified over the short, medium, and long term.	Yuhan-Kimberly has identified climate-related risk and opportunity factors for the medium-term (through 2030) and analyzed their potential financial impact. Key risks include rising carbon credit prices, stricter plastic waste regulations, and increased frequency of disasters caused by extreme weather conditions, while opportunities include growth in the sales of sustainable products.	43
	b) Impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	Yuhan-Kimberly analyzes the impact of climate-related risks and opportunities on its business and financial planning. The medium-term (2030) financial impact analysis indicates significant expected financial impact from damage to buildings, equipment, and inventory due to localized heavy rainfall and flooding-related plant flooding caused by climate change.	
	c) Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Yuhan-Kimberly has identified the potential financial impacts of physical risks caused by climate change based on the IPCC's SSP scenario and the Korea Energy Economics Institute's scenario. To strengthen resilience against extreme weather conditions, the company plans to establish an extreme weather monitoring system and enhance its crisis response strategy. In addition, to address transition risk driven by plastic regulation trends, Yuhan-Kimberly has established targets to expand the share of sustainable products revenue to 95% and reduce plastic use by 50%, and plans to conduct Life Cycle Assessment to reduce carbon footprint and expand eco-certified products.	
Risk Management	a) Organization's processes for identifying and assessing climate-related risks	Yuhan-Kimberly defines and assesses climate-related risks and opportunities through a risk management process based on the TCFD framework. This process consists of five stages: 'risk and opportunity identification – response strategy development and action plan linkage – status monitoring and implementation review – strengthening execution with personnel and resource allocation – proactive response to implementation risks and building resilience.' Potential financial impacts are assessed based on scenario analysis during the 'risk and opportunity identification' stage.	44
	b) Organization's processes for managing climate-related risks	Identified climate-related risks and opportunities are prioritized based on financial impact assessment results and incorporated into the KPIs and action plans of the manufacturing and operations functions. Implementation status is monitored through monthly and regular management by the ESG Committee.	
	c) How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Yuhan-Kimberly is making the necessary investments to implement strategic initiatives related to climate risks and opportunities, and operates a dedicated workforce and organizational structure. The company has established response manuals for potential disruptions arising during the execution and operation of these strategies, and is expanding investment to build out this system.	
Metrics and Targets	a) Metrics used to assess climate-related risks and opportunities in line with the organization's strategy and risk management process.	Yuhan-Kimberly discloses key indicators including greenhouse gas emissions and energy consumption status. For GHG emissions, the company has set a target to reduce emissions by 25% by 2030 compared to 2015, with performance linked to the KPIs of the Manufacturing Function Leader and the heads of each plant.	44
	b) Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	In 2025, the combined Scope 1 and Scope 2 emissions were 202,680 tCO2e. Major Scope 3 emission sources include purchased goods and services and end-of-life treatment of sold products. Scope 3 emissions were not calculated due to restructuring of the calculation methodology and data management system; calculation will resume based on the refined system going forward.	
	c) How the organization manages performance against climate-related risks, opportunities, and targets	Yuhan-Kimberly has allocated specific targets to each plant in line with its goal of reducing absolute GHG emissions by 25% by 2030 (compared to 2015) and shares emissions status monthly through the Energy and Environment Council. Additionally, the company has set business unit-level targets to achieve its goal of expanding the share of sustainable product revenue to 95% by 2030, with performance reviewed annually.	

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SASB Index

The Sustainability Accounting Standards Board (SASB) standards, established in 2011, sets industry-specific standards created to help companies identify and report material sustainability issues. Yuhan-Kimberly discloses its sustainability metrics following the consumer goods sector’s Household & Personal Products standard.

Topic	Code	Metric	Yuhan-Kimberly 2025 Status	Reporting page
Water Management	CG-HP-140a.1	(1) Total water withdrawal (m3)	4,338,369 m3	94
		(2) Total water consumption (m3)	311,582 m3	94
		Percentage of each in regions with High or Extremely High Baseline Water Stress (%)	Withdrawals in regions of “High ” Baseline Water Stress or above: 2.10% Consumption in regions of “High ” Baseline Water Stress or above: 20.91%	41
	CG-HP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Yuhan-Kimberly monitors water-related risks in regions where its manufacturing plants are located through scenario analysis utilizing the WRI Aqueduct Tool. The company works to minimize water-related risks near its plants through replacing leaky pipelines, requiring all tissue machines to meet quarterly targets, and conducting water management task-force activities.	41
Product Environmental, Health and Safety Performance	CG-HP-250a.1	Revenue from products that contain REACH Substances of Very High Concern (SVHC)	Yuhan-Kimberly ensures product safety at every stage from development and production through consumer use. The company monitors compliance with internal management standards for product safety assurance and continuously reviews verification by global product safety experts and compliance with domestic law. None of Yuhan-Kimberly’s products contain REACH-listed Substances of Very High Concern.	71-73
	CG-HP-250a.3	Discussion of process to identify and manage emerging materials and chemicals of concern	In principle, Yuhan-Kimberly voluntarily restricts the use of substances of safety concern, and inspects and takes appropriate action on such substances at least semi-annually in accordance with the Serious Accidents Punishment Act. The list of chemicals of safety concern are continuously amended based on assessments of raw material safety, incorporating the latest domestic and international regulatory trends, consumer safety issues, and academic research.	72
	CG-HP-250a.4	Revenue from products designed with green chemistry principles	In 2025, Yuhan-Kimberly generated KRW 40.68 billion in revenue from eco-certified products.	96
Packaging Lifecycle Management	CG-HP-410a.1	(1) Total weight of packaging (tons)	4,504 tons	-
		(2) Percentage made from recycled and/or renewable materials (%)	40%	9, 14, 35, 96
		(3) Percentage that is recyclable, reusable and/or compostable (%)	Yuhan-Kimberly manages product recyclability through its Sustainable Product Development Guidelines, applying recyclability-grade management based on packaging material structure assessments and target management to increase the use of recycled plastic in packaging.	35-38
	CG-HP-410a.2	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Yuhan-Kimberly has built a proprietary LCA simulation tool to reduce the environmental impact of packaging across its lifecycle, identifying issues with the greatest contribution to environmental impact and conducting scenario analysis aligned with reduction targets.	37
Environmental & Social Impacts of Palm Oil Supply Chain	CG-HP-430a.1	Amount (ton) of palm oil sourced, percentage (%) certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance or (d) Book & Claim	In 2025, Yuhan-Kimberly used a total of 27.56 tons of raw materials (Formulated Solutions) containing palm oil, none of which was RSPO certified.	96
Activity Metrics	CG-HP-000.A	Number of units and total weight of products sold (ton)	Given the diversity of Yuhan-Kimberly’s product portfolio, the company does not disclose information on the number of units or total weight of products sold.	-
	CG-HP-000.B	Number of production sites	3 (Kimcheon Mill, Taejon Mill, Choongju Mill)	2, 90

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Compliance with 10 Principles of the UN Global Compact

UNGC Compliance Status

Category	10 Principles	Yuhan-Kimberly's 2025 Efforts	Reporting Page
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights.	· Published Human Rights Management Declaration and declared 8 principles of human rights management · Distributed the Supply Chain Code of Conduct · Declared the Emotional Laborers' Human Rights Protection Policy · Operated a dedicated human rights organization · Operated the Inclusion & Diversity (I&D) Committee	109, 76, 64-65, 64, 61
	2. Businesses make sure that they are not complicit in human rights abuses.	· Conducted Code of Conduct training for employees · Operated a grievance handling channel and process for each stakeholder group · Identified potential human rights risks through the company-wide myVoice satisfaction survey · Conducted supplier assessments (SAT) of 66 key suppliers to evaluate compliance with human rights-related regulations · Participated in shareholder Kimberly-Clark's Supply Chain Human Rights (SCHR) program to measure compliance in key human rights areas including child labor, forced labor, and discrimination	92, 22-25, 64-65, 77-78
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	· 98.9% of union membership rate; collective bargaining applied to all employees · Conducted Central Labor-Management Council, plant-level Labor-Management Councils, and Grievance Handling Committee meetings on a quarterly basis	62, 100
	4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	· Included a forced labor clause in the Human Rights Management Declaration and the Supply Chain Code of Conduct · Complied with employment regulations and collective agreements · Ensured agreement on compliance with social standards—including a forced labor clause—when engaging with new suppliers, and conducted business only with compliant suppliers · Reviewed forced labor items during Supplier Assessment Tool (SAT) and SCHR assessments	62, 64, 77-78
	5. Businesses should uphold the effective abolition of child labour.	· Included a child labor clause in the Human Rights Management Declaration and the Supply Chain Code of Conduct · Ensured agreement on compliance with social standards—including a child labor clause—when engaging with new suppliers, and conducted business only with those who adhere to these standards · Monitored child labor status during Supplier Assessment Tool (SAT) / SCHR assessments	64, 77-78
	6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	· Set and pursued a target of 25% female managers and 25% female executives by 2030 (2025: approximately 18% female managers, approximately 14% female executives) · Spread a culture of respect for diversity through the I&D Committee · Recorded a 100% return rate after maternity leave and an 86% return rate after childcare leave · Ensured agreement on compliance with social standards—including anti-discrimination clauses—when engaging with new suppliers, and conducted business only with those who adhere to these standards	61, 77, 97-98

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Compliance with 10 Principles of the UN Global Compact

UNGC Compliance Status

Category	10 Principles	Yuhan-Kimberly's 2025 Efforts	Reporting Page
Environment	7. Businesses should support a precautionary approach to environmental challenges.	· Strengthened environmental management system based on the Environmental Management 3.0 · Monitored environment, climate change and sustainability issues through ESG Self-Assessment · Analyzed potential financial impacts based on climate change scenario analysis · Identified and responded to water-related risks using the World Resources Institute (WRI) Aqueduct Tool	9-10, 32, 41, 43-45, 80-82
	8. Businesses should undertake initiatives to promote greater environmental responsibility.	· Operated the ESG Committee and the ESG Environmental Subcommittee that reports directly to the CEO · Managed sustainable pulp sourcing policy · Conducted the Green Action Alliance to build of a sustainable industry ecosystem · Conducted the "Keep Korea Green" campaign · Led ecological restoration activities in wildfire-affected areas · Established the Yeoncheon Honey-Source Native Plant Honeybee Forest for honeybee biodiversity preservation · Built an ex-situ conservation system for the Korean fir (Abies koreana) species with the Baekdudaegan National Arboretum · Commenced restoration efforts for the Changgyeonggung Palace Forest	7-8, 33, 39-40, 80-82, 86
	9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	· Developed and manufactured products to achieve the 2030 target of 95% sustainable product revenue share · Conducted Life Cycle Assessment (LCA) on major products · Pursued a strategy to replace plastic packaging: achieved 16.8% reduction in plastic use and 40% conversion to recycled plastic in packaging · Expanded the BI-CYCLE project to establish a resource circulation process for hand towels · Supported and invested in startups driving social and environmental innovation through the Keep Korea Green Impact Fund · Conducted waste upcycling activities with non-profit startups through open innovation	9, 35-38, 39-40
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	· Participated in the CEO pledge ceremony at the Ethical Management ESG Forum for 23 consecutive years (declaring commitment to anti-corruption and transparent management) · Signed the UN Global Compact's anti-corruption pledge · Conducted Code of Conduct and conflict-of-interest prevention training for all employees · Provided additional training on laws such as the Monopoly Regulation and Fair Trade Act and the Fair Transactions in Subcontracting Act for departments with high business relevance · Published newsletters on eradicating unfair trade practices	22-24, 76, 79

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Compliance with 10 Principles of the UN Global Compact

UNGC Compliance Status

Yuhan-Kimberly was recognized as a UN Global Compact Leadership Excellence and Development (LEAD) company for the fifth consecutive year at the 2025 UNGC Korea Global Leaders Summit, organized by the UN Global Compact Network Korea. The UNGC Korea Global Leaders Summit is a forum that shares the sustainability agenda of both businesses and the international community, including the UNGC’s four core values—human rights, labor, environment, and anti-corruption—as well as the UN Sustainable Development Goals (SDGs)— bringing together diverse stakeholders including member companies, government representatives, international organizations, academia, and civil society leaders. At this Summit, Yuhan-Kimberly was recognized as a leading domestic member company that supports the UNGC’s Ten Principles and embeds them into its corporate strategy and policies, and was selected as a UNGC Korea Network LEAD company for its leadership across the areas of human rights, labor, environment, anti-corruption, and the SDGs.

UN Guiding Principles Reporting Framework

Category	Reporting Principle	Reporting Page
Governance of Respect for Human Rights	A1. Policy Commitment	22, 64-65, 76
	A2. Embedding Respect for Human Rights	24-25, 64-65
Defining the Focus of Reporting	B1. Statement of Salient Issues	14-15, 22, 27, 65, 78, 91
	B2. Determination of Salient Issues	12, 64, 78
	B3. Choice of Focal Geographies	64, 76
	B4. Additional Severe Impacts	N/A
Management of Salient Human Rights Issues	C1. Specific Policies	22, 65-66, 77, 76-79
	C2. Stakeholder Engagement	10-12, 25, 62-63, 75
	C3. Assessing Impact	12-13, 27, 64, 77-78
	C4. Integrating Findings and Taking Action	7, 14-15, 27-28, 64-65, 77-78
	C5. Tracking Performance	12-13, 27, 64-65, 75
	C6. Remediation	25, 65, 74

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Activities to Contribute to UN SDGs

The UN Sustainable Development Goals (SDGs), presented by the United Nations for the sustainable development of the international community, comprise 17 goals and 169 targets covering economic growth, social inclusion, and environmental sustainability. Yuhan-Kimberly supports the UN SDGs and strives to contribute to sustainable development worldwide across its corporate operations and business activities. In order to fulfill its role and responsibility as a business, Yuhan-Kimberly will continue to actively pursue the achievement of the UN SDGs.

UN SDGs		Principles	Targets	Yuhan-Kimberly's Contribution	Reporting Page
Goal 1: No Poverty		End poverty in all its forms everywhere.	1.3 Achieve substantial coverage of the poor and the vulnerable through social protection systems and measures	· Donates diapers to vulnerable children in local communities through the "Huggies Hope Bank" · Donates sanitary pads to economically vulnerable adolescent girls through campaigns such as "Goodfeel, Cheer Up Daughters"	84-85
			3.2 End preventable deaths of newborns and children under 5 years of age	· Produces and donates Huggies ultra-small diapers for premature infants	85
Goal 3: Good Health and Well-being		Ensure healthy lives and promote well-being for all at all ages.	3.7 Ensure universal access to sexual and reproductive health-care services	· Provides menstrual education content through the 'Daldabang' women's wellness app · Operates blogs providing menstruation-related 'We are on period' / 'We have menstruation' · Conducts menstrual education and awareness campaigns, including the 'Hope for Daughters' sanitary pad donation campaign	55, 84-85
			3.9 Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination	· Established standards for 190 substances of safety concern subject to voluntary use restrictions · Built a product safety system centered on consumer safety and discloses related information · Reviews chemical substance composition (K-REACH, RoHS, etc.) and managing hazardous substances	42, 70-72
Goal 4: Quality Education		Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	4.4 Substantially increase the number of youth and adults with relevant skills for employment, decent jobs, and entrepreneurship	· Operates training programs to enhance employee leadership, job expertise, digital and global capabilities · Operates various support programs—including technology development support and enhancement of specialized capabilities—to strengthen supplier competitiveness	57-58, 79
			4.5 Eliminate gender disparities in education and ensure equal access to education regardless of disability, ethnic background, etc.	· Establishes an NGO leadership development fund to strengthen women's rights leadership	83
Goal 5: Gender Equality		Achieve gender equality and empower all women and girls.	5.4 Recognize and value unpaid care and domestic work through public services, infrastructure, and social protection policies: promote shared responsibility within the family	· Operates flexible work systems and recharging vacation systems · Implements family-friendly management by providing internal programs beyond legal requirements, such as prenatal leave and remote work, for employees experiencing childbirth and childcare · Invites expectant mothers, male employees with pregnant spouses, and their team leaders to quarterly "Expectant Parents Briefings" to explain company policies and encourage use programs related to childbirth and childcare	59-61
			5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making	· Operates K-WIN, a voluntary in-house network for developing female talents · Set and implementing a target of 25% female managers and 25% female executives by 2030 (2025: approximately 18% female managers, approximately 14% female executives)	61
			5.6 Ensure universal access to sexual and reproductive health and reproductive rights	· Donates a cumulative total of over 12 million sanitary pads through the 'Goodfeel Cheer Up Daughters' campaign for marginalized youth (as of 2025) · Annually reviews and identifies targets in need of sanitary pad support, such as out-of-school girls and self-supporting youth, who are not covered by existing welfare systems, and donates products accordingly	84-85, 87

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Activities to Contribute to UN SDGs

UN SDGs	Principles	Targets	Yuhan-Kimberly's Contribution	Reporting Page
Goal 6: Clean water and sanitation		Ensure availability and sustainable management of water and sanitation for all.	6.2 Achieve access to adequate and equitable sanitation and hygiene for all and end open defecation · Runs the “Kleenex Happy Clean” campaign for vulnerable children · Develops and supplies masks and hygiene products for personal hygiene · Conducts hygiene education, handwashing campaigns, and other social contribution and awareness activities · Strengthens product safety and accessibility for vulnerable groups in partnership with daycare centers, elderly welfare facilities, and others	84-86
			6.3 Improve water quality by reducing pollution, minimizing release of hazardous chemicals, and increasing recycling and safe reuse · Upgraded the water purification facility and strengthened treated water reuse at the Kimcheon Mill	41-42
			6.4 Substantially increase water-use efficiency and ensure sustainable withdrawals and supply of water to address water scarcity · Established medium- to long-term targets for water use reduction at the Kimcheon Mill, managed as a sustainability KPI · Monitors water-related risks in regions where manufacturing plants are located through scenario analysis using the WRI Aqueduct Tool	41-42
			6.6 Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes · Contributes to water source cultivation and water resource conservation through forest ecosystem restoration under the “Keep Korean Green” forest environment campaign	80-82
Goal 7: Affordable and clean energy		Ensure access to affordable, reliable, and modern energy for all.	7.2 Substantially increase the share of renewable energy · Self-generates solar energy at the Choongju Mill · Conducts feasibility analysis on adopting renewable energy sources, including RE100 and solar power	44
			7.3 Double the rate of improvement in energy efficiency · Improves energy efficiency by building plant Energy Management Systems (EMS) · Ensures energy efficiency by retrofitting aging equipment · Optimizes delivery routes and reduces fuel consumption through logistics projects	44
Goal 8: Decent work and economic growth		Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation · Produces products and packaging using sustainable materials such as FSC®-certified pulp and recycled plastic · Improves productivity through DT and logistics efficiency at plant · Expands into and grows in overseas markets · Selects next-generation core categories based on growth potential and market viability, and builds a diversified product lineup	35-38, 49-53
			8.3 Promote development-oriented policies supporting productive activities, decent job creation, entrepreneurship, innovation, and growth of small and medium enterprises · Operates the “Keep Korea Green Impact Fund” to identify and support technology-based ventures and startups addressing social and environmental issues · Supports social venture entrepreneurs expanding senior business opportunities through the “Senior Impact Fellowship”	86
			8.8 Protect labor rights and promote safe and secure working environments for all workers · Strengthens company-wide safety and hygiene management toward a zero serious-accident goal, and regularly operates the Safety and Health Management Committee · Declared 6 policies protecting the human rights of emotional labor workers · Implements the right to discontinue consultation and a “Safe Workplace” campaign to protect the human rights of customer service representatives · Practices family-friendly management by operating internal programs beyond legal requirements, such as prenatal leave and remote work, for employees experiencing childbirth and childcare	59, 65

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Activities to Contribute to UN SDGs

UN SDGs	Principles	Targets	Yuhan-Kimberly's Contribution	Reporting Page
Goal 9: Industry, innovation and infrastructure	 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.4 Upgrade infrastructure and retrofit industries to be sustainable, with increased resource-use efficiency and adoption of clean technologies	· Builds Energy Management Systems and improves energy efficiency through plant DT · Drives supply chain innovation across the industry through the Green Action Alliance	37, 40, 44-45
Goal 10: Reduced inequalities	 Reduce inequality within and among countries	10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race or other status	· Operating the 3rd term of the Inclusion and Diversity Committee · Supports social venture entrepreneurs expanding senior business opportunities through the "Senior Impact Fellowship"	61, 86
		10.3 Ensure equal opportunity and reduce inequalities by eliminating discriminatory laws, policies, and practices	· Prohibits discrimination as stated in the Human Rights Management Declaration · Includes anti-discrimination clauses in the Supply Chain Code of Conduct · Improves internal awareness of bias and discrimination through Inclusion & Diversity awareness surveys and publication of a Minority Report	61, 64, 76
		10.4 Adopt fiscal, wage, and social protection policies to progressively achieve greater equality	· Donates products from key brands including Huggies, Good Feel, and Kleenex to economically vulnerable groups · Operates "Hope Bank," a campaign delivering diapers to vulnerable children in local communities, including childcare facilities and infant/toddler households	84-86
Goal 11: Sustainable cities and communities	 Make cities and human settlements inclusive, safe, resilient and sustainable	11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage	· Undertakes restoration efforts for the Changgyeonggung Palace Forest	82
		11.5 Significantly reduce deaths and economic losses caused by disasters	· Identifies the financial impact of physical risks (torrential rain) caused by climate change · Installed flood barriers to prevent flood inundation through the Taejon Mill's "Flood Management and Mitigation Program" · Formed a wind and flood damage prevention task force at each plant	43-44
		11.6 Manage air quality and municipal and other waste	· Manages air, water, soil, and waste at each plant through the ISO 14001 environmental management system and the Ministry of Environment's Integrated Environmental Management System	39-40
Goal 12: Responsible consumption and production	 Ensure sustainable consumption and production patterns	12.2 Achieve the sustainable management and efficient use of natural resources	· Set medium- to long-term targets for water and carbon footprint reduction, sustainable pulp and recycled paper use, and forests · Develops sustainable resources/materials and promoting supply transition through the Green Action Alliance	9, 37
		12.4 Achieve environmentally sound management of chemicals and all wastes throughout their life cycle, minimizing release into air, water, and soil	· Utilizes the Sustainable Product Development Guidelines based on the 3R (Reduce, Recycle, Replace) principle	36
		12.5 Substantially reduce waste generation through prevention, reduction, recycling, and reuse	· Reuses raw and sub-materials such as trim scraps from the Taejon nonwoven fabric plant · Conducts plastic waste recycling and upcycling activities through open innovation	35-36
		12.6 Encourage companies to adopt sustainable practices and integrate sustainability information into reporting	· Reports annually through the sustainability report on progress toward the 95% sustainable product revenue target, reduction of manufacturing-stage environmental impact, supply chain management, and more	35
		12.8 Ensure people everywhere have the information and awareness for sustainable development and lifestyles in harmony with nature	· ESG training for employees · Conducts employee participation campaigns including minimizing internal paper printing, using personal cups, and World Environment Day activities · Conducts the Hand Towel Recycling Campaign and the "Keep Korea Green" campaign	34, 48, 80-82

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Activities to Contribute to UN SDGs

UN SDGs	Principles	Targets	Yuhan-Kimberly's Contribution	Reporting Page
Goal 13: Climate action	 Take urgent action to combat climate change and its impacts	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters	· Prioritizes relevant issues through materiality assessment and potential risk assessment · Identified climate-related risk/opportunity factors and their financial impact · Allocated 30% of CAPEX to investments for environmental improvement	8, 12, 27, 43-44
		13.2 Integrate climate change measures into national policies, strategies, and planning	· Contributes to national GHG reduction targets through the GHG Emission Trading System · Established medium- to long-term GHG emission reduction targets · Manages supply chain GHG emissions through building a Scope 3 management system	44-45
		13.3 Improve education, awareness-raising, and human capacity on climate change mitigation, adaptation, and impact reduction	· Operates the ESG Committee and Environmental Subcommittee reporting directly to the CEO · Raises employee environmental awareness and capability through environmental management and ESG training	7
Goal 14: Life below water	 Conserve and sustainably use the oceans, seas and marine resources for sustainable development	14.1 Prevent and reduce marine pollution of all kinds, particularly from land-based activities	· Reduces plastic and microplastic waste by complying with the Sustainable Product Development Guidelines	35-37
Goal 15: Life on land	 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	15.1 Conserve, restore, and sustainably use forests, wetlands, mountains, and drylands	· Conducts restoration activities in wildfire-damaged areas	80
		15.2 Halt deforestation, restore degraded forests, and increase afforestation	· Conducts forest environment campaigns including "Keep Korea Green" · Continuously manages sustainable pulp purchasing policy	80-82
		15.3 Combat desertification and restore degraded land and soil affected by desertification, drought, and floods	· Mongolia Yuhan-Kimberly Forest cultivation project and anti-desertification forest research project	81
		15.5 Halt the degradation of natural habitats and loss of biodiversity, and protect threatened species	· Established the Yeoncheon Honey-Source Native Plant Honeybee Forest for honeybee biodiversity preservation · Pursuing an ex-situ conservation system for the Korean fir with the Baekdudaegan National Arboretum	81-82
Goal 16: Peace, justice and strong institutions	 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.3 Promote the rule of law and ensure equal access to justice for all	· Conducts annual Code of Conduct and conflict-of-interest prevention training for all employees · Provides additional training on the Fair Trade Act, Subcontracting Act, and related laws for departments with high business relevance · Operates a reporting channel for Code of Conduct violations · Runs a Fair Trade Voluntary Compliance Program	22-25, 65, 79
		16.5 Substantially reduce corruption and bribery	· States anti-corruption clauses within the Code of Conduct · Participated in the Ethical Management ESG Forum CEO pledge for the 23rd consecutive year · Signed the UN Global Compact's anti-corruption pledge · Publishes a newsletter on eradicating unfair trade practices	22-23, 108
		16.7 Ensure responsive, inclusive, participatory, and representative decision-making	· Engages diverse stakeholders in management through communication with the Labor-Management Council and labor union	62-63
Goal 17: Partnership for the goals	 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	17.16 Enhance the global partnership through sharing knowledge, expertise, technology, and financial resources	· Actively participates in the UN Global Compact Network Korea since its founding in 2007, complying with the Ten Principles as a member · Contributed to the UN Global Compact Network Korea Development Fund · Selected as a sustainability management LEAD company by the UN Global Compact Network Korea for 5 consecutive years · Signed an MOU for the Green Action Alliance to build a sustainable ecosystem across industry	37, 62, 64, 108-110

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Third-Party Assurance Statement

To: Yuhan-Kimberly’s Stakeholders

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the “Assurer”) was requested to provide assurance on the 2025 Yuhan-Kimberly Sustainability Report (hereinafter referred to as the “Report”). The Assurer is independent of Yuhan-Kimberly and has no major operational or financial interest other than the assurance engagement itself. This assurance opinion statement is intended to provide stakeholders with information related to the assurance of Yuhan-Kimberly’s Report concerning environment, social and governance (ESG) matters, and may not be used for any purpose other than its stated purpose of publication. This assurance opinion statement was prepared based on the results of the assurance conducted on the information and claims presented by Yuhan-Kimberly, and the assurance was carried out on the assumption that the information and data presented were complete and accurate. Yuhan-Kimberly is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the Report. Any queries relating to this assurance opinion statement or the Report should be directed to Yuhan-Kimberly only. The Assurer is responsible for providing Yuhan-Kimberly’s management with an independent assurance opinion containing professional judgments derived by applying the assurance methodology to the scope specified, and for providing this information to all of Yuhan-Kimberly’s stakeholders. In providing this assurance opinion, the Assurer shall not bear any other responsibility, including legal liability, to any third party other than Yuhan-Kimberly, and shall not be liable to any other use or purpose to which the assurance opinion may be put, or to any stakeholders related thereto.

Scope

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

- Report content for the period from January 1, 2025 to December 31, 2025 included in the Report, with some performance data including results from the first half of 2026.
- Major assertion included in the Report, such as sustainability management policies, strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of internal processes and systems for data collection, analysis and review.
- Confirmation of compliance with the four AA1000 AccountAbility Principles (2018), based on the type of sustainability assurance performed under the AA1000 Assurance Standard v3, and, where applicable, the reliability of the sustainability performance information contained in the Report.

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

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

Assurance Level and Type

The assurance level and type are as follows:

- Moderate level based on AA1000 Assurance Standard v3, and Type 2 (confirmation of compliance with the four AA1000 AccountAbility Principles (2018), and confirmation of the quality and reliability of specific performance information published in the Report)

Description and sources of disclosures covered

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

[Universal Standards]
2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies, and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)
[Topic Standards]
101-2~5, 201-1~4, 203-1~2, 205-2~3, 206-1, 207-4, 301-1~3, 302-1, 302-3~5, 303-1~5, 305-1~2, 305-4~5, 305-7, 306-1~5, 308-1~2, 401-1~3, 402-1, 403-1~10, 404-1~3, 405-1~2, 406-1, 407-1, 408-1, 409-1, 411-1, 414-1~2, 415-1, 416-1~2, 417-1~3, 418-1

Methodology

As part of its independent assurance, the Assurer used a methodology developed to collect relevant evidence to comply with the assurance criteria and reduce the risk of reporting errors. The Assurer performed the following activities:

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

Limitations and approach used to mitigate limitations

The Assurer performed limited verification over a limited period, based on the data provided by the reporting organization. No significant errors were identified during the process: however, this inherently entails limitations associated with unavoidable risks that may exist. The Assurer does not provide assurance regarding possible future impacts that cannot be predicted or confirmed during the assurance process, or any additional aspects related thereto.

Competency and Independence

BSI (British Standards Institution) is an independent professional institution with expertise in management systems fields including quality, environment, occupational health and safety, energy, anti-corruption, and compliance, founded in 1901 and providing certification and assurance services globally for approximately 120 years. The Assurer has no business relationship with the reporting organization, conducted this assurance independently, and had no conflict of interest. The assurance team that performed this engagement was composed of AA1000 Assurance Standard assurers with extensive experience in management systems fields such as environment and occupational health and safety, and in sustainability fields such as social issues and corporate ethics, together with an excellent understanding of BSI Group’s assurance methodology.

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Third-Party Assurance Statement

Opinion Statement

The assurance was carried out in accordance with the AA1000 Assurance Standard v3. The Assurer planned and performed the assurance procedures to obtain sufficient evidence to provide assurance over Yuhan-Kimberly’s description of its approach to AA1000 Assurance Standard and its self-declaration of compliance with the GRI standards. On the basis of the activities described above, the Assurer did not identify any matters indicating the information in the Report was materially misstated. The Assurer believes that the key sustainability performance indicators—including economic, social and environmental performance—presented in the Report are managed through Yuhan-Kimberly’s effective internal control procedures.

Conclusions

The Report is prepared in accordance with the GRI Standards 2021. The Assurer’s opinion on the four AA1000 AccountAbility Principles (2018) is set out below:

Inclusivity

Yuhan-Kimberly identified key stakeholders, selecting customers, suppliers, shareholders, employees, and local community/ government as its major stakeholders. In order to collect opinions by each stakeholder group in the context of sustainability, the company is operating the stakeholder engagement process. The ESG Committee reviews the stakeholder engagement process to reflect the major issues derived through the process in sustainability strategies and goals. Yuhan-Kimberly discloses the results in the Report.

Materiality

Yuhan-Kimberly has established sustainability strategy and goals, and developed mid-to-long-term plans to achieve them. It has also implemented a materiality assessment process in consideration of its business and operational characteristics to derive major sustainability issues to be reported. In the materiality assessment, Yuhan-Kimberly analyzed the global disclosure standards and evaluation metrics as well as the impact materiality and financial materiality of sustainability-related issues. It has derived 10 material topics through the process, and publishes the related GRI Topic Standards Disclosures in the Report.

Responsiveness

Yuhan-Kimberly has a process for the management of material topics in the context of sustainability derived from the materiality assessment. In accordance with its sustainability strategy framework, the company discloses key achievements—including related performance, strategies, and goals—through its website and the Report to strengthen responsiveness to the reported material topics.

Impact

In the context of sustainability of the reported material topics, Yuhan-Kimberly has a process to identify and assess the scope and extent of their impacts on the organization and key stakeholders. Based on the results of this impact analysis, the company reviews findings at the governance level to establish its sustainability strategies and plans, and discloses in the Report the performance related to this process, including key impacts from both financial and impact perspectives.

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

Among the GRI Topic Standards, the following provisions related Economic, Social and Environmental performance indicators were verified as Type 2 assurance based on the information and data provided by the reporting organization. In order to ensure the reliability and accuracy of the data and information, internal control procedures related to data processing and management were reviewed through interviews with relevant departments, and accuracy was verified through sampling. No errors or intentional distortions have been found from sustainability performance information contained in the Report. The reporting organization manages the sustainability performance information and tracks the process of deriving the source of the performance through reliable internal control procedures. Errors and unclear expressions found during the assurance process were corrected during the assurance and prior to the publication of the Report, and the Assurer confirmed the final Report with the errors and expressions corrected.

· GRI Topic Standards: 203-1~2, 205-2~3, 301-1~3, 302-1, 302-3~4, 303-3~5, 305-1~2, 305-4, 305-7, 306-3~5, 308-1~2, 401-1, 401-3, 403-1~10, 404-1, 404-3, 405-1, 414-1~2, 416-1, 417-1

Recommendations and Opportunities for improvement

The assurer will provide the following comments to the extent that they do not affect the result of the assurance:

· Yuhan-Kimberly discloses, in the Report, key performance in accordance with its established sustainability goals and strategic direction. In line with the metrics definition methodology and processes for global sustainability information currently being applied, further specifying the internally established sustainability metrics definitions and strengthening the internal control procedures for the relevant sustainability information may help enhance the completeness and reliability of the information.

· Yuhan-Kimberly discloses, in the Report, key sustainability management frameworks—including stakeholder engagement and value chain identification—through its report. Building on these frameworks, further specifying methodologies for social value calculation and indirect value calculation when measuring sustainability impacts may help advance the company’s sustainable management framework.

GRI-Reporting

Yuhan-Kimberly has self-declared its compliance with the GRI Standards. The Assurer has confirmed that Yuhan-Kimberly’s Report has been prepared in accordance with the GRI Standards 2021, and, based on the data and information provided by Yuhan-Kimberly, found no errors in the assertion that the requirements for compliance with the GRI Standards—including the Universal Standards and Topic Standards—have been satisfied. The Sector Standards were not applied.

Issue Date: 26/06/2026
For and on behalf of BSI (British Standards Institution):

BSI representative





검증팀장 이정우
Lead Assurer, LCSAP



대표이사 임성환
Managing Director

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Greenhouse Gas Verification Statement

Verification of Greenhouse Gas Emissions

Verification Target

The Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of the 2025 greenhouse gas (GHG) emissions of Yuhan-Kimberly Co., Ltd.¹⁾ (hereinafter 'Company').

Verification Purpose

This verification is intended to ensure the reliability of the Company's GHG emissions statement in relation to the operation of the Emissions Trading Scheme.

Verification Scope

KFQ's verification covered all facilities and emission sources under the operational control and organizational boundary of the Company during 2025.

Verification Criteria

The verification process was conducted in accordance with the [Rules for Emission Reporting and Certification of GHG Emission Trading Scheme²⁾], [Rules for Verification of Operating the GHG Emission Trading Scheme³⁾] and [ISO14064-3] for every applicable part.

Level of Assurance

The verification was planned and conducted in accordance with the procedures set out in the 'Rules for Verification of Operating the GHG Emission Trading Scheme', and was conducted to a reasonable level of assurance. An internal review was also carried out to confirm that all verification procedures had been performed effectively.

Verification Limitations

The verification is subject to the inherent limitations that arise in the process of applying the relevant criteria and methodology.

1) Registered Address (headquarters): 29th Floor, Lotte World Tower, 300 Olympic-ro, Songpa-gu, Seoul, Republic of Korea
2) Ministry of Environment Notification No. 2025-64
3) Ministry of Environment Notification No. 2025-165

Verification Conclusion

With respect to the GHG emissions data presented in the statement, KFQ presents the following conclusions:

- 1) The Company's GHG emissions have been appropriately calculated in accordance with the "Rules for Verification of Operating the GHG Emission Trading Scheme" and "ISO14064-1:2018" methodologies.
- 2) Based on the materiality assessment, the Company's GHG emissions fall below 500,000 tCO₂-eq, satisfying the materiality threshold of less than 5% of total emissions.
- 3) Accordingly, KFQ concludes that greenhouse gas emissions of the Company in 2025 are correctly calculated and reported.

Unit: tCO₂eq

Scope 1	Scope 2	Total
27,766.285	174,917.063	202,680

* The totals in this verification statement may not match the totals in the emission trading scheme because the total emissions of each facility are calculated by rounding down to the nearest whole number.
* These figures follow the baseline emissions applicable at the time of submission of the 2025 allowance allocation.



June 2nd, 2026
CEO Ji Young Song
Korea Foundation for Quality

Ji Young Song

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Key Awards, Certifications and Collaboration Partners

Key Awards and Certifications

Category	Date	Detail
Overall Sustainability	November 2025	Selected as a UN Global Compact Leadership Excellence and Development (LEAD) company for the fifth consecutive year
	November 2025	Ranked 1st in the household goods category of the Korean Sustainability Index (KSI) selected by the Korean Standards Association
	November 2025	Sustainability Report Award in the manufacturing category of the KRCA selected by the Korean Standards Association
	November 2025	Minister of Trade, Industry and Energy Award (6th Paper and Pulp Safety and Health Conference)
	December 2025	Presidential Citation for contributions to hand towel resource circulation and greenhouse gas reduction
	February 2026	Selected as one of Korea's Most Admired Companies for the 23rd consecutive year
Certification	June 2025	ISO 13485:2016 Certification (June 15, 2025 – June 15, 2028)
	November 2025	Choongju Mill, designated as Green Company
	November 2025	Kimcheon Mill, ISO 14001:2015 Certification
	December 2025	Obtained Consumer-Centered Management (CCM) certification from the Korea Fair Trade Commission
	December 2025	Recertified as a Family-Friendly Company and selected as a Leading Family-Friendly Company by the Ministry of Gender Equality and Family
	February 2026	ISO 9001:2015 Certification (February 28, 2026 – February 28, 2029)
Economy	March 2025	Received iF Design Award in 3 categories
	August 2025	Goodfeel Organic Tampon, obtained Sensitive Skin certification from Dermatest
	December 2025	Huggies, received 2025 Korea Digital Advertising Awards in four categories
	December 2025	Smart Diaper Project, received the Minister of SMEs and Startups Award
	December 2025	Received Gyeonggi-do Governor's Commendation for contributions to revitalizing the social economy

Status of collaboration partners within local communities in 2025

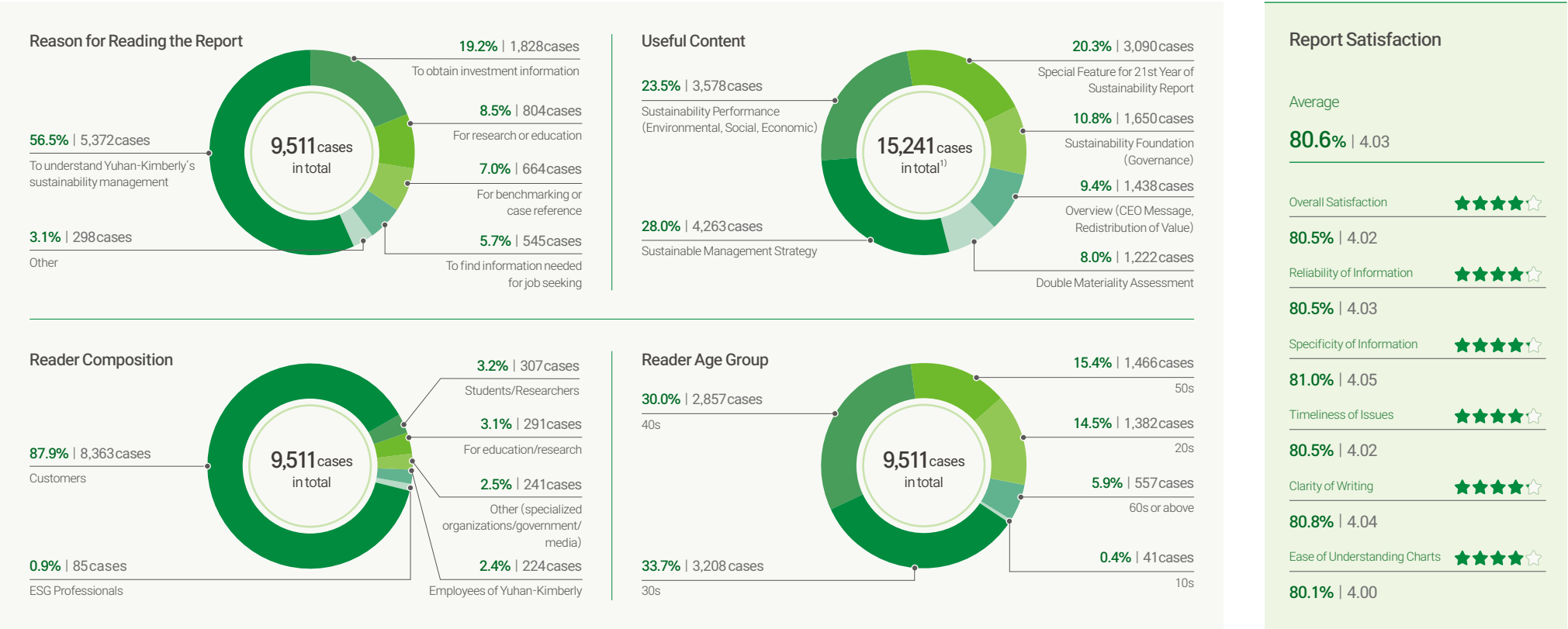
Category	Scope	Details
Major Societies and Associations (31)	Headquarters (Company-wide)	Korea Industrial Safety Association, Korea Cosmetic Association, Seoul Chamber of Commerce & Industry, Korea Safety Equipment Association, American Chamber of Commerce in Korea, Fair Competition Federation, Korea Industrial Technology Association, Korea CISO Association, Korean Enterprises Federation, Federation of Korean Industries, Korea Society of Toxicology, Korea International Trade Association, Korea Consumer-Centered Enterprise Association, Korea Medical Devices Industry Association, Korea Electronic Certification Authority , Korea Paper Association, Korea Paper Resource Association
	Manufacturing Sites	Kyeongbuk Enterprises Federation, Gyeongbuk Environmental Engineering Federation, Gimcheon Environmental Safety Director Association, Gimcheon Chamber of Commerce & Industry, Daeduk Industrial Engineer Association, Taejon Chamber of Commerce & Industry, Taejon Sejong Chungnam Environmental Engineers Federation, Gyeongbuk Northern Branch of Korea Consumer Safety Association, Daegu-Gyeongbuk Branch of Korea Consumer Safety Association, Taejon-Chungnam Branch of Korea Consumer Safety Association, Chungcheong Branch of Korea Consumer Safety Association, Cheongju Chamber of Commerce & Industry, Choongju High-tech Complex Association, Korea Electrical Engineers Association
Major Collaboration Organizations (30)	Business Collaboration	Institute for Industrial Policy Studies, Hygiene Product Business Consultation Body, Korea Technical Association of The Pulp and Paper Industry, Korean Standards Association
	Social Responsibility	Goodwill Store, Green Korea United, Taejon Community Chest of Korea, Meerae Forum, Forest for Life, Seoul YWCA, Seoul Korean Federation for Environmental Movement (KFEM), Save the Children, Consumers Korea, Women in Innovation (WIN), UN Global Compact Network Korea, Yuhan Technical High School, Happybean, Peace Forest Work, People and Peace Link, Korea Diversity Committee, Korea Arboreta and Gardens Institute, Womenlink, Korea Women's Association United, Korea Women's Hot-Line, Korea Foundation for Women, Seoul Green Trust, Work Together Foundation, Korean Federation for Environmental Movement (KFEM), K-Green Foundation, Citizen's Movement for Environmental Justice

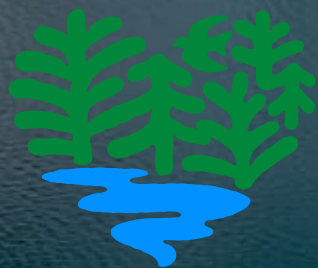
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Sustainability Report Reader Feedback

Yuhan-Kimberly transparently shares its sustainable management activities and performance with stakeholders through its Sustainability Report. Each year, the Company also collects and analyzes reader feedback on the report to continuously improve its content structure and how information is presented. In 2025, a total of 9,511 readers shared their feedback on the Sustainability Report. Based on this input, Yuhan-Kimberly aims to publish an increasingly useful and reliable Sustainability Report going forward. Reader feedback is actively incorporated to improve the completeness and usability of future reports.





Keep Korea Green

Yuhan-Kimberly has been planting trees and nurturing forests for 42 years. The newly unveiled 5th generation logo for the “Keep Korea Green” campaign, along with the Yuhan-Kimberly Pureunsoop (green forest) typeface, is yet another expression of the trust and commitment built over that time. With the same care we have brought to nurturing forests, we will take one more step further toward a sustainable tomorrow.