



SEE AHEAD. CHANGE TOMORROW.

2020/2021 SEEGENE SUSTAINABILITY REPORT

ABOUT THIS REPORT

Seegene published its first sustainability report for the year 2021, designed to manage and share its ESG management direction and results in a systemic and transparent manner. Before preparing this report, in 2021, we established a foundation for promoting ESG management through a comprehensive diagnosis on our ESG capability. Given the growing importance of non-financial value, we intend to disclose our ESG plans and results in accordance with global initiatives including SASB (Sustainability Accounting Standards Board). The sustainability report will be published annually to transparently disclose our ESG activities and outcomes and further expand communication with stakeholders.

OVERVIEW

This report reflects various stakeholders' views and discusses critical issues and challenges we face.

REPORTING PRINCIPLE

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards: Core Option. It has also taken into account the applicable requirements and principles of SASB (Sustainability Accounting Standards Board) Standards and UN SDGs (Sustainable Development Goals).

REPORTING PERIOD

This report presents quantitative data about the company's performance during the 2020 calendar year. However, the company's qualitative activities mentioned in the report recorded until the end of March 2021.

REPORTING SCOPE

This report covers information with respect to the head office in Seoul, South Korea, three domestic branch offices, and five centers as well as eight overseas subsidiaries in North America, South America, Europe and the Middle East.

ASSURANCE

This report has been assured by Korea Management Registrar, an independent assurance service provider, to ensure the propriety and integrity of the reporting processes as well as the accuracy and credibility of its contents. The assurance criteria and results can be found on page 60 and 61.



Visit www.seegene.co.kr for more information about Seegene.

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CEO MESSAGE

We will be proactive in ESG management to ensure our sustainable growth and maximize shareholder value, contributing to building a healthier company and society.



Dear respected stakeholders, it gives me a great pleasure to present to you Seegene's first Sustainability Report.

Seegene has been making a concerted effort not only to create financial performance but also to deliver non-financial value through ESG management in a bid to lay a foundation for sustainable growth. The COVID-19 pandemic has thrown the world into turmoil. In response to this unprecedented challenge, Seegene has been at the forefront of protecting the lives of many by focusing on R&D. As a result, sales and operating profit in 2021 reached KRW 1.37 trillion and KRW 666.7 billion, respectively, achieving remarkable growth year on year.

- 1 **Our corporate value has been further increased through continuous technological innovation and responsible business practices.** Seegene's Multiplex real-time PCR (RT-PCR) technology and Syndromic Assay technology, which are capable of simultaneously detecting up to 15 different genes, are particularly distinguishable from overseas leading molecular diagnostics firms. Our innovative One-platform MDx solution laid the groundwork for simultaneously performing molecular diagnostics in all areas. We have also built quality management system based on international certifications in compliance with country-specific regulations on medical devices and products. Furthermore, to ensure inventory stability, each product is produced in independent facilities equipped with infection prevention systems such as Clean Rooms.
- 2 **We have taken preemptive measures against climate change and safety issues.** In keeping with global actions to address climate change, Seegene has built a GHG inventory and is now developing a plan to reduce GHG emissions generated during product transportation. Moreover, to ensure a business environment where our employees can work safely in the pandemic, not only did we set up internal guidelines but we also provided them with systematic support in accordance with quarantine measures.
- 3 **We pursue co-prosperity with suppliers, local communities, and employees.** To this end, Seegene revamped its supplier management system to maintain a sustainable relationship with our suppliers and evaluate the level of their social responsibility and ethical business conduct. For local communities, strategic social contribution featuring our business has been promoted, such as better access to medicines, scholarships and in-kind donations to institutions and social groups. Training, welfare, and remuneration systems have also been improved to create better working conditions for employees.
- 4 **We are building a system for ESG management.** An ESG-dedicated committee will be launched, and major ESG agendas will be discussed at the Management Deliberation Committee going forward. In addition, we enforce the Code of Conduct that addresses business ethics and principles.

Seegene promises committed ESG management to ensure our sustainable growth and maximize shareholder value, contributing to building a healthier company and society.

Thank you.

January 2022

CEO, Jong-Yoon Chun

COMPANY OVERVIEW

ABOUT SEEGENE

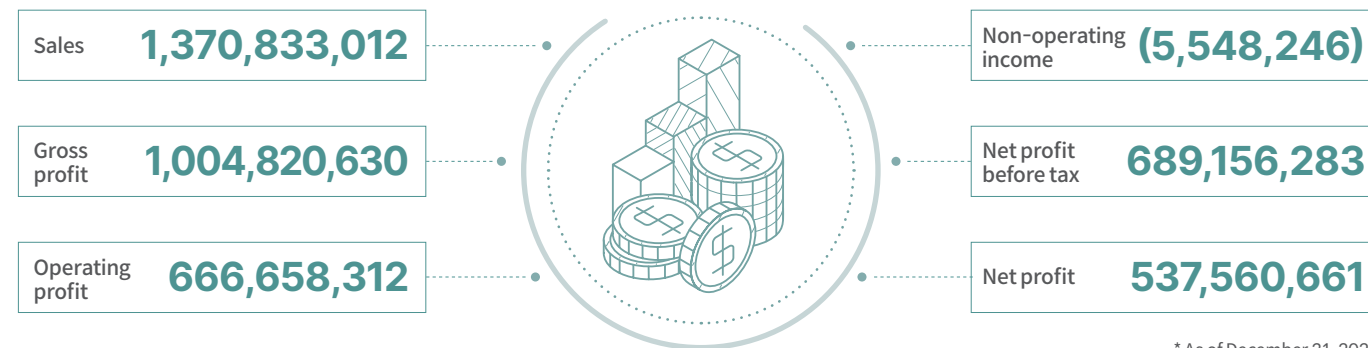
Seegene is a global leader in Multiplex MDx technology that develops products capable of detecting diseases at the gene level based on the world's only real-time PCR technology.

With the convergence of world-class molecular diagnostic technology and ICT, Seegene develops not only diagnostic reagents that can detect a variety of infectious diseases, cancer, and genetic disorders, but also all-in-one testing platforms and dedicated software, thus leading innovation and change in the molecular diagnostics field.

Company name	Seegene Inc.
CEO	Dr. Jong-Yoon Chun
Date of establishment	Sep. 18, 2000
Head office	91, Ogeumro, Songpagu, Seoul, Korea
No. of employees	1,075 (As of Dec 31, 2021)
Business domain	<ul style="list-style-type: none"> • Molecular diagnostic products (infectious diseases, women's healthcare, drug resistance, cancer and genetic disorder) • Diagnostics of diseases in plants and animals, food quarantine products • Development of customized products • Development and licensing of new technologies

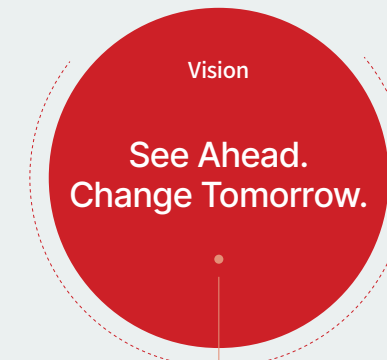
Financial Highlights _ sales and profits

(Unit: KRW in thousands)

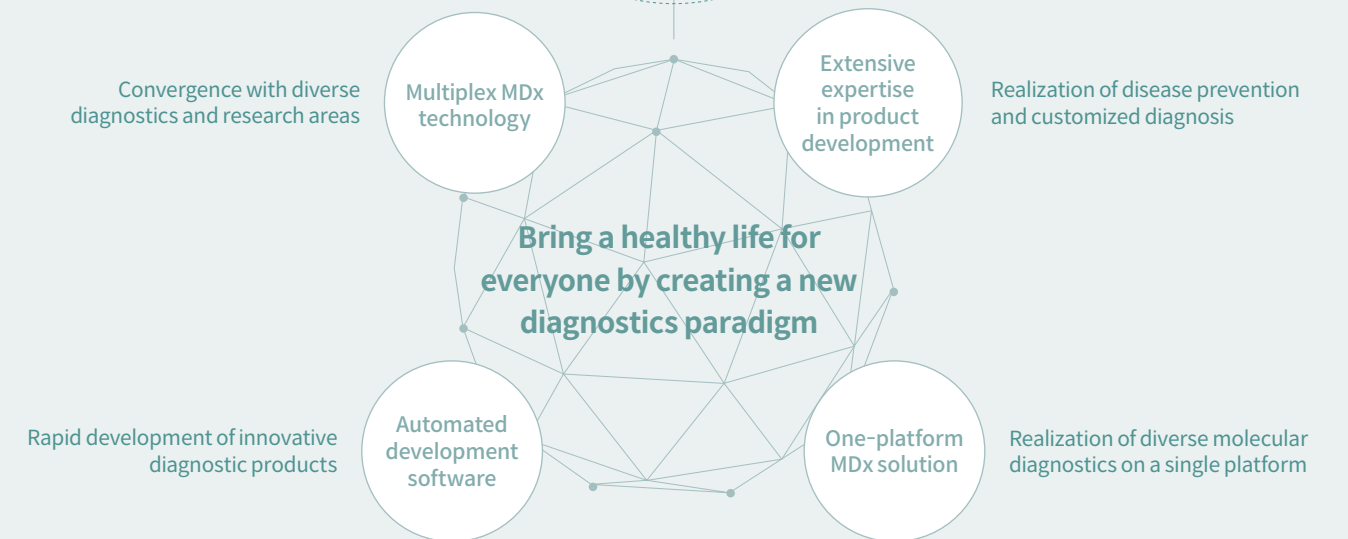


OUR VISION & MISSION

Seegene aims to bring a healthy life for everyone by making molecular diagnostics more accessible in daily lives.



We are committed to creating a new paradigm in molecular diagnostics based on technological prowess, innovative diagnostics platforms, and dedicated software, thus paving the way for an environment where anyone can easily access molecular diagnostics whether it be large or small-sized hospitals.



GLOBAL NETWORK

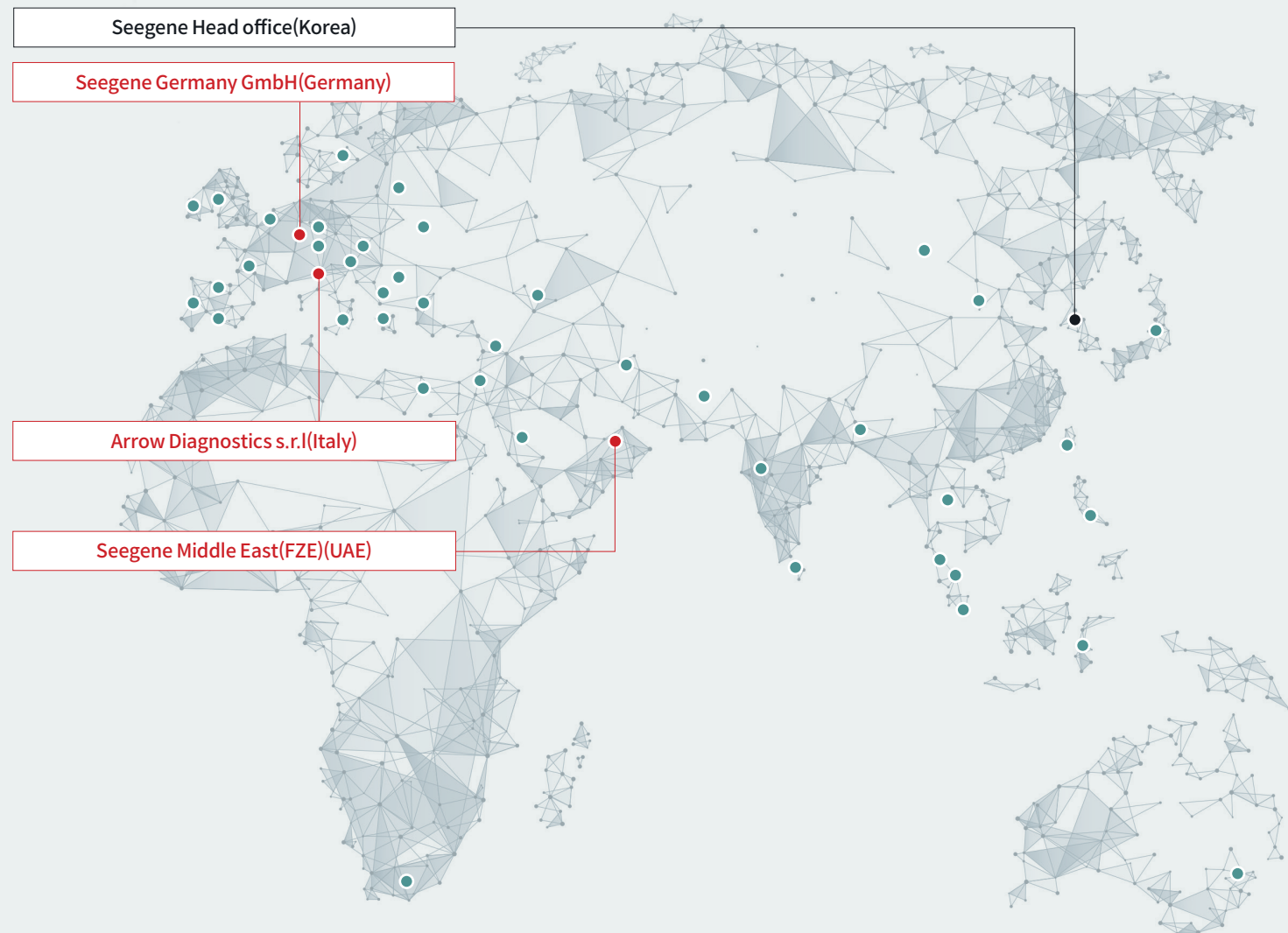
Seegene operates 8 local subsidiaries in North and South America, Europe, and the Middle East, supplying molecular diagnostic products to over 70 countries around the world. We will not only focus on developing quality products and innovative diagnostic solutions meeting customer demands, but also reinforce global marketing activities through close cooperation with business partners.

Sales by region

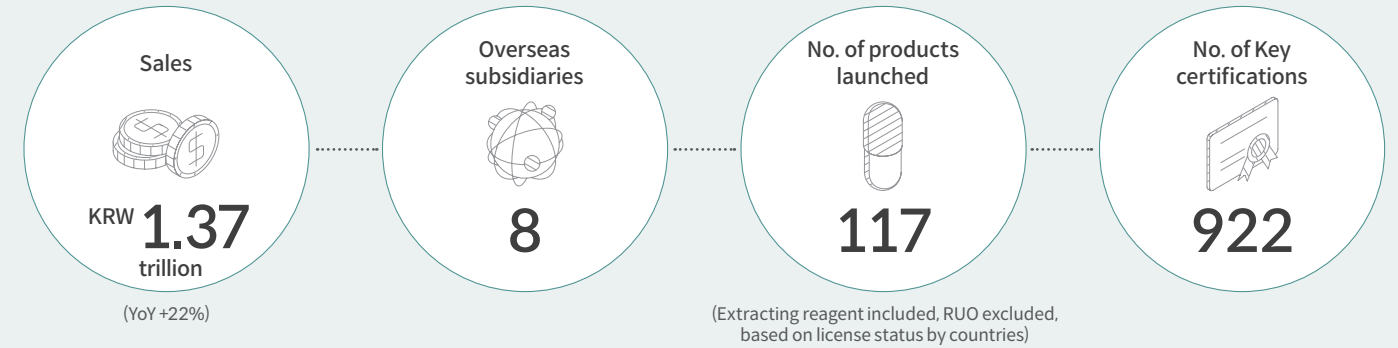
Year	Unit	Europe	North America	Latin America	Asia, etc. ¹⁾	Korea	Total
2020	KRW in billion	776.4	153.0	113.0	162.6	165.9	1,370.8
2019	KRW in billion	655.3	121.1	160.0	128.3	60.5	1,125.2
YoY	%	18	26	-29	27	174	22

1) Including the Middle East, Africa, and Oceania

* Calculated according to local sales standards, the above figures are different from the data described in our business report.



* As of December 31, 2021



(Extracting reagent included, RUO excluded, based on license status by countries)

Sales agents (78 countries)

EUROPE

- Austria
- Belarus
- Belgium
- Bulgaria
- Croatia
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Macedonia
- Norway
- Poland
- Romania
- Serbia
- Slovenia
- Spain
- Sweden
- Switzerland
- Ukraine
- United Kingdom

ASIA

- Brunei
- China
- Hong Kong
- India
- Indonesia
- Israel
- Japan
- Jordan
- Kazakhstan
- Lebanon
- Malaysia
- Mongolia
- Philippines
- Qatar
- Republic of Korea
- Saudi Arabia
- Singapore
- Sri Lanka
- Taiwan
- Thailand
- Turkey
- United Arab Emirates
- Vietnam

AMERICA

- Argentina
- Bolivia
- Brazil
- Canada
- Chile
- Colombia
- Costa Rica
- Dominican Republic
- Ecuador
- El Salvador
- Guatemala
- Honduras
- Mexico
- Nicaragua
- Panama
- Paraguay
- Peru
- United States
- Uruguay
- Venezuela

OCEANIA

- Australia

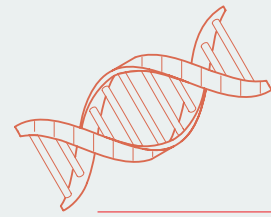
AFRICA

- Algeria
- Egypt
- Kenya
- South Africa
- Sudan
- Tanzania
- Tunisia

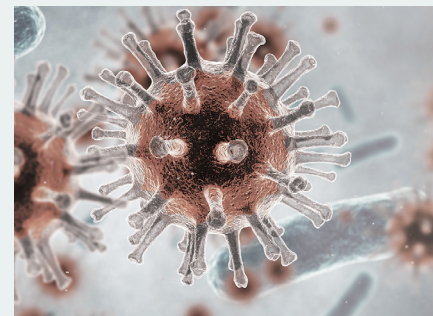
OUR BUSINESS

Seegene develops a variety of multiplex molecular diagnostic reagents based on its original technology that can test multiple genes simultaneously. Furthermore, our business domain is expanding beyond the diagnosis of human diseases to the fields of disease diagnosis of Agricultural/Livestock/Marine products and Food Safety Testing. With its differentiated technological prowess, Seegene has concentrated on pioneering overseas markets from the early stage of business and is today expanding strategic partnerships with world-class diagnostics firms with the aim of further strengthening global competitiveness in molecular diagnostics business.

Development of molecular diagnostic products



We are mainly engaged in molecular diagnostics which identifies the cause of a disease through genetic analysis among in vitro diagnostics which can detect diseases from specimens collected from patients. Molecular diagnostics is the fastest growing field in the in vitro diagnostics market as it is the only in vitro diagnostic method that is capable of early diagnosis and enables preventive medicine and customized treatment.



Infectious diseases

- Respiratory infection
- Gastrointestinal infection
- Food poisoning, Enteritis
- Tuberculosis
- Cerebromeningitis
- Sepsis



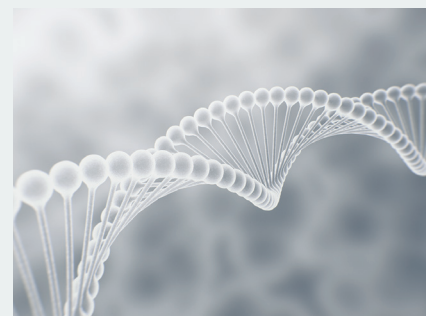
Women's healthcare

- Sexually transmitted infection, vaginitis
- Human papilloma virus (HPV) causing cervical cancer



Drug resistance

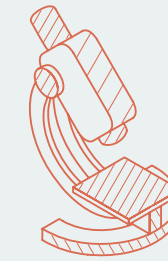
- Vancomycin-resistant enterococci
- Clarithromycin-resistant H. pylori
- Multidrug-resistant tuberculosis (MDR TB)
- Extensively drug-resistant TB (XDR TB)



Oncology and hereditary disorder

- Anyplex™ II Thrombosis SNP Panel Assay: Simultaneous detection of 6 SNPs from Factor II, Factor V and MTHFR gene
- Seeplex® ApoE ACE Genotyping: the genotyping of the Apolipoprotein E (ApoE) gene into 6 genotypes
- Seeplex® Leukemia BCR/ABL: Detection of 8 types of BCR/ABL fusion gene from whole blood and bone marrow

Development of products for animal and plant disease diagnosis and food quarantine



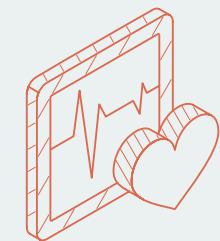
We develop reagents for fields of life science, medicine and healthcare; for example, reagents for diagnosis and quarantine of Agricultural/Livestock/Marine Product diseases as well as food safety inspection. Hence, we are able to provide optimal multiplex diagnostic products that can effectively save time and costs in the diagnostics market with high economic impact.



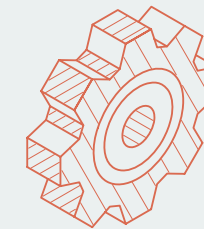
Seegene develops and provides high quality products customized for each customer use in a short period of time through verification methods such as Hombrew, a self-developed in-house test platform based on diverse needs of global infrastructure, large diagnostics centers, hospitals, universities, research institutes, and diagnostics firms.



Development of customized products



Development and licensing of new technologies



Through sustained R&D investment, we continue not only to develop technologies and diagnostic equipment that can lead the global standardization of molecular diagnostic systems, but also to create technologies applicable to diverse areas including bio, basic research, healthcare, and ICT convergence.



CORPORATE HISTORY

Seegene is committed to creating new values and a better future for humanity based on its unique technological prowess, tireless innovation, close R&D partnerships with world's leading firms.



2000

- Established Seegene Inc. and R&D Life Sciences
 - Designated as an Excellent Venture Firm in technology evaluation (Seoul SMBA)

2001

- Developed ACP™ technology
- Selected as a KIBO A+ Members Company

2002

- Established Seegene USA
- Launched GeneFishing™ kit

2006

- Developed DPO™ technology

2007

- Obtained ISO 13485:2003 certification (Europe, BSI) and ISO 9001:2000 certification (IIC)
 - Selected as an InnoBiz Company (SMBA)
- Established Seegene Japan in Toranomon, Tokyo (supported by Korea SMEs and Startups Agency)
 - Won the Government Awards for the Commercialization of New Technology (Trade, Industry, and Energy Minister Award)

2008

- Won the Digital Innovation Award (Trade, Industry, and Energy Minister Award)
- Won the 2008 North American Infectious Disease Testing Healthcare Innovation Award (Frost & Sullivan)
- Obtained Canadian Medical Devices Conformity Assessment System (CMDCAS) certification

2009

- Selected as the top next-generation product (Korea Productivity Center)
- Selected as one of the world's top 30 manufacturers of molecular diagnostic products for infections (Research and Markets)
- Received the Health Industry Technology Award (Ministry of Health and Welfare)
- Won the 2009 Korea New Growth Engine Award
- Obtained ISO 9001:2008 certification (BSI, British Standards Institution)

2010

- Listed on the KOSDAQ
- Established Seegene Germany
- Won the President's Prize for Technology Innovation (SMBA)
- Won the Order of Industrial Service Merit (KVBA)
- Won the Jang Youngsil Prize (KOITA & Maeil Business Newspaper)
- Won the Hidden Champion Award (Innobiz)

2011

- Developed TOCE™ technology
- Obtained KGMP certification



2012

- Won the Gold Stevie Award in Best CEO of the Year (The International Business Awards)
- Won the Best Hidden Champion Award (KCEOA)

2013

- Won the Best Business of Korea Prize (bio category, KCEOA)
- Selected as the "KOSDAQ Hidden Champion" for three consecutive years (KRX)

2014

- Developed MuDT™ technology
- Established Seegene Middle East
- Acquired an Italian MDx product distributor
 - Respiratory testing product selected as the world-class product
- STD testing product selected as the world-class next-generation product

2015

- Established Seegene Technologies USA
- Established Seegene Canada

2016

- Established Biodist-Seegene Diagnostics, a joint venture, in Mexico

2017

- Established Seegene Germany GmbH
- Developed New Normalization Software Technology for molecular diagnostics
- Seegene Medical Foundation and the NGO Good People established the Nong Trang Seegene health center in Vietnam



2018

- Developed molecular diagnostic reagents using AI

2019

- First domestic molecular diagnostics company to obtain the MDSAP certificate (IMDFR)
- Established Seegene Brazil Diagnosticos LTDA

2020

- Developed Covid-19 diagnostic reagents
- Included in MSCI Standard index
- Donated KRW 3 billion to the Community Chest of Korea
- Selected as the innovative medical device manufacturer by the Ministry of Health and Welfare
- Exceeded KRW 1 trillion in sales

2021

- The simultaneous diagnostic kit of respiratory virus approved by the Ministry of Food and Drug Safety
- Secured proprietary technology to develop and manufacture molecular diagnostic products
- Selected as one of the 10 Most Innovative Businesses in Asia/Pacific 2021 by Fast Company
- Established a subsidiary in Columbia



ESG HIGHLIGHTS



TECHNICAL INNOVATION

Won the Science and ICT Minister's Prize

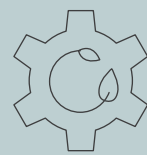


Seegene won the Science and ICT Minister's Prize, at the 2021 SW Quality Innovation Award hosted by the National IT Industry Promotion Agency. The award is given to businesses that have contributed to the development of SW industry through innovative quality improvement. Seegene was recognized for strengthening the global competitiveness of domestic medical device software quality by 'building a system-based software development process' applicable tool developing diagnostic reagents and diagnostic equipment operation in an integrated manner.

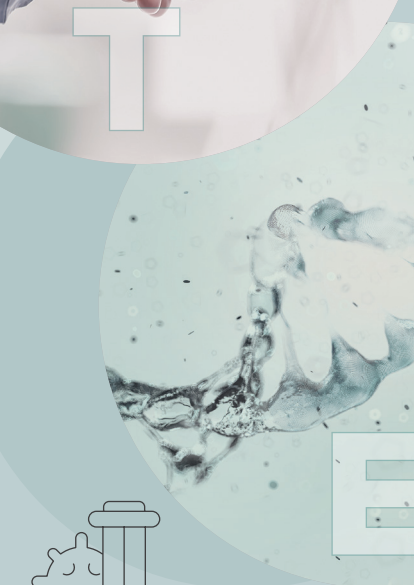


RESPONSIBLE BUSINESS

Established quality control system



Our production system ensures high product quality and manufacturing consistency based on ISO 9001 and ISO 13485 certifications. Seegene complies with country-specific regulations such as CE-IVD, Health Canada and Korean MFDS to meet the criteria for quality control, medical device manufacturing and item approval. We maintain production processes built upon the stringent quality control system.



EFFECTIVE EHS MANAGEMENT

Built a protocol to respond to COVID-19 crisis

In response to the nationwide COVID-19 crisis since January 2020, Seegene established a protocol to ensure an environment where employees can work safely. Each team performs its own role according to the protocol: Safety&Health Team for quarantine measures, Talent Management Team for employee attendance, IT Infrastructure Team for supporting remote work, and Laboratory Medicine Team for in-house check for infection. The quarantine guidelines are strictly enforced by dividing cases into confirmed cases, close contacts, suspected contacts, and suspected symptoms. As for confirmed cases, medical supplies and daily necessities are delivered and online consultation services from affiliated hospitals are also provided.



TRUST IN HUMAN VALUE

Signed an agreement for nurturing health and medical experts

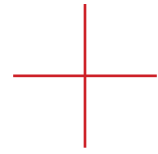
In March 2021, Seegene signed an agreement with Daegu Health College to cooperate on nurturing health and medical experts and creating jobs. We will be active in our cooperation on such areas as talent recruitment, training programs like field work and internships, educational and research support, medical volunteering activities, and medical device donations.



ACTIVE PARTNERSHIP

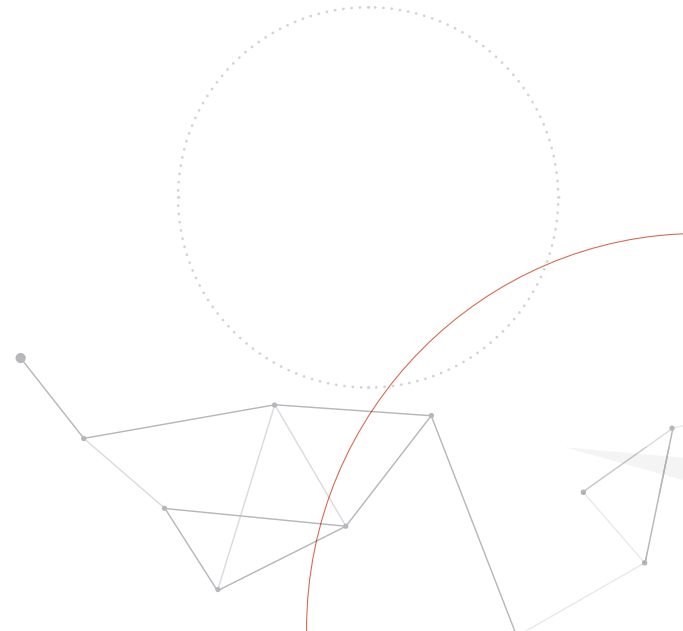
Signed an agreement for joint research on molecular diagnostics and donated diagnostic reagents for 40,000 people

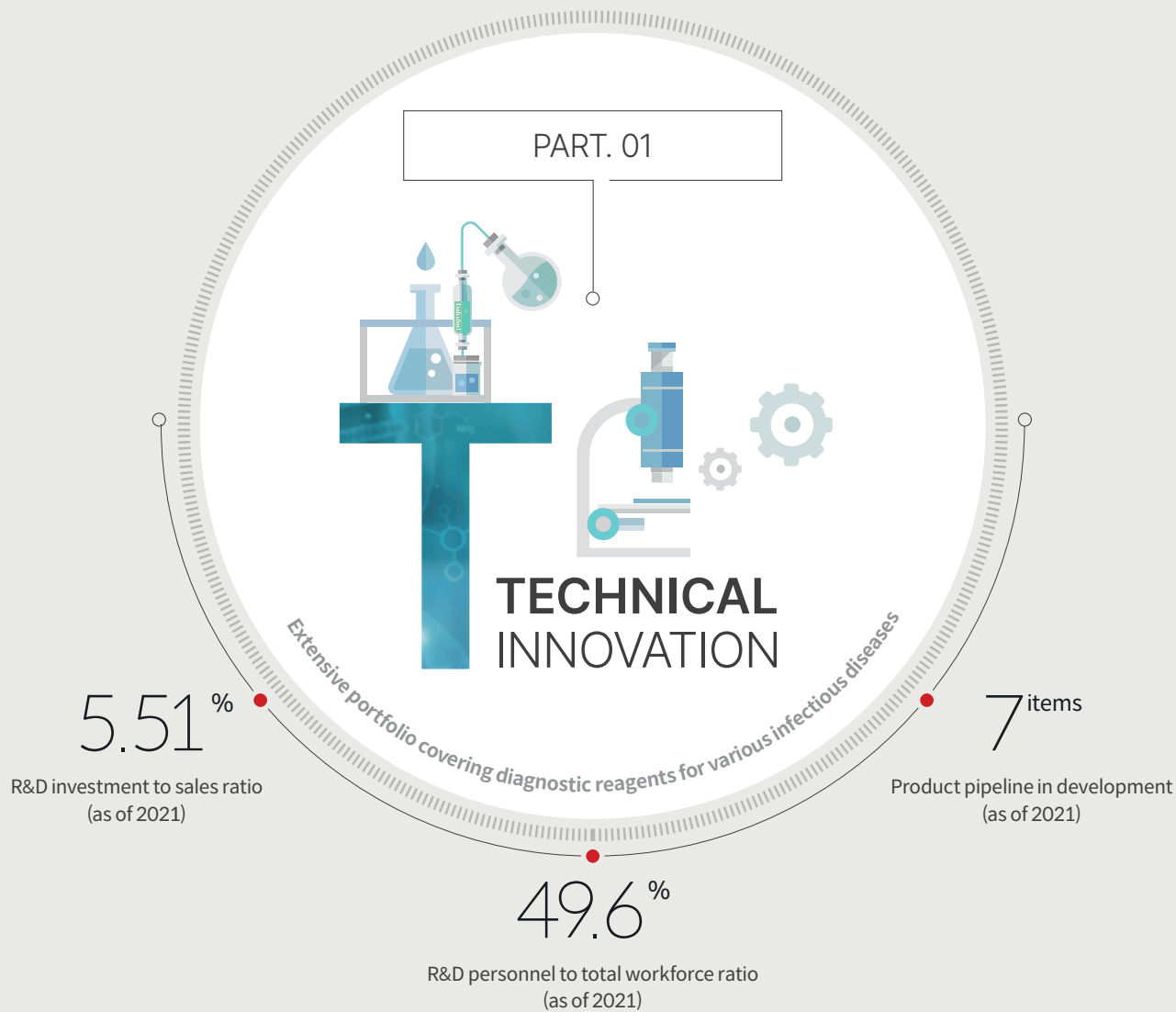
In October 2021, Seegene and the Seegene Medical Foundation donated COVID-19 diagnostic reagents for 40,000 people and the necessary in-kind expenses to KAIST. This donation was made based on the agreement signed by KAIST and Seegene for joint research on molecular diagnostics in July 2021. The donation helped KAIST to build a 24/7 diagnostic system for easy and swift on-site checks, contributing to returning to safe daily lives.



ESG DIRECTION

Even as the world was reeling from the impact of the COVID-19 pandemic, Seegene has remained committed to developing diagnostic reagents for the health of humanity. As a result, we successfully delivered diagnostic kits of unprecedented quality. Through ESG management, Seegene is now set to rise into a sustainable company that creates both financial and non-financial value.





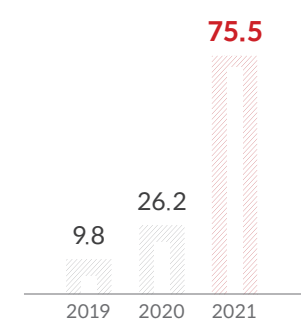
MANAGEMENT APPROACH

Seegene has been committed to creating new values and a better future for all, based on its unique technological prowess, tireless innovation, close R&D partnerships with global leading firms. Since the foundation, we have been dedicated to developing multiplex PCR technology, a key technology in life science and secured original technologies in the fields of Polymerase Chain Reaction (PCR) and real-time PCR.

Particularly, with the aim of popularizing molecular diagnostics and creating its new paradigm, Seegene has developed the One-platform MDx solution, a solution that enables molecular diagnostic tests in all fields on one test platform simultaneously. Moreover, our automation software for product development makes it possible to test a wide array of diseases. We will continue to endeavor to make molecular diagnostics accessible to anyone and become a global leader in the field of molecular diagnostics.

PRODUCT INNOVATION

R&D investment (Unit: KRW in billions)



R&D investment in 2021 (compared with sales)

5.51%

DEVELOPMENT OF PRODUCT TECHNOLOGY

R&D goals and plans

Seegene carries out diverse R&D projects to advance the popularization of molecular diagnostics by building a system for developing molecular diagnostic reagents and securing an extensive portfolio of diagnostic reagents. We also plan to expand our portfolio to cover animals and plants. To this end, Seegene does its utmost to improve our AI-based molecular diagnostic reagents development system merged with high multiplex technology, in order to ensure a swift response to new infectious diseases in the earliest possible stage. In addition, Seegene has developed the AIOS (All-In-One-System) to reinforce its diagnostic device line-up.

In 2021, Seegene spent KRW 75.5 billion, and its R&D investment to sales ratio reached 5.51%, an increase of 3.18%p year on year.

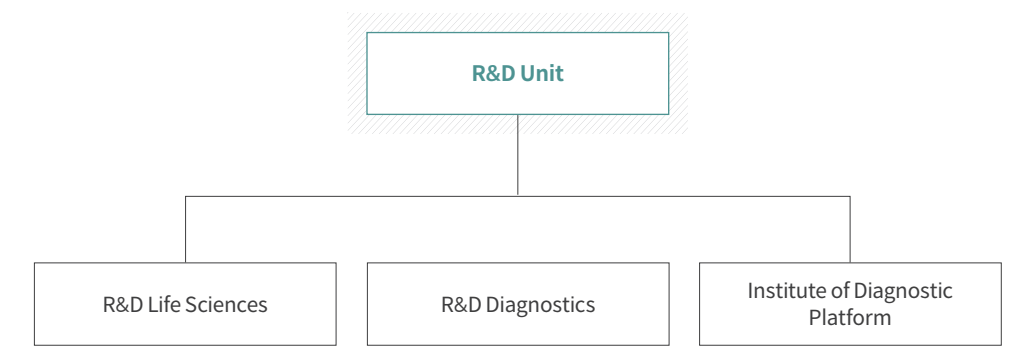
Establishment of R&D operation system

Seegene's research centers – R&D Life Sciences, R&D Diagnostics, and Institute of Diagnostic Platform – are leading a new paradigm in molecular diagnostics based on superior technological capability, innovative test platforms, and dedicated software. They are focusing on advancing core technologies in terms of Multiplex MDx technology, IT Convergence Technology, development of fully-automated system, and One-platform MDx solution, thereby reinforcing our business competitiveness and new product development.

Moreover, with a goal to sharpen our R&D competitiveness and to shape Seegene as a molecular diagnostic platform company, research centers promote the platform-based product development using our "standardized development tool" which allows any bio experts around the world to easily develop diagnostic reagents through our technology and infrastructure.

As of 2021, 533 researchers are working at Seegene, accounting for 49.6% of the workforce. 83 of them hold a doctorate degree, 282 a master's degree, 166 a bachelor's degree, and 2 a specialist degree. The number of researchers grew by 274 compared to the same period last year and continues to grow.

R&D organizational chart



STRENGTHENING R&D PARTNERSHIP

Seegene has established a cooperative network of partnerships to develop molecular diagnostic products and strengthen automation tool capacity. We can swiftly develop real-time PCR products by working with partners through our proprietary AI-based SGDDS (Seegene Digitalized Development System). In cooperation with testing and diagnostic equipment manufacturers and molecular diagnostics companies, we also seek to expand the automated molecular diagnostic platform and tool development. Based on the partnership network, a wide array of joint projects is in progress as well, including clinical projects on blood screening, genetic disorders, drug resistance, cancer and infectious diseases as well as research on animals, plants, agricultural products, food safety and more.

Signing MOUs on R&D

Seegene has signed MOUs with many research institutions to expand R&D infrastructure for the development of diagnostic reagents and molecular diagnostic technologies. In collaboration with the research teams of KAIST Department of Biological Sciences and College of Engineering, we are conducting joint research on technologies for next-generation molecular diagnostic platforms, building an R&D cooperation center and seeking potential long-term academia-industry research projects to contribute to the advancement of molecular diagnostic technology. Moreover, we founded the Seegene-Kyungpook National University Molecular Diagnostics Research Center to promote research to expand our diagnostic reagent portfolio in infectious diseases and non-human fields. Seegene aims to continuously expand its R&D infrastructure for the development of diagnostic reagents.

Inauguration ceremony of Seegene-Kyungpook National University Molecular Diagnostics Research Center



MOU signing ceremony on joint research on Molecular Diagnostics between Seegene and KAIST



NEW PRODUCT DEVELOPMENT

Since 2017, Seegene has completed the development of 32 diagnostic products for gastrointestinal infection, respiratory viral testing, and STD test. Research on additional 7 products is underway as of 2021. The finished products are certified by European CE and MFDS of the Korean Ministry of Food and Drug Safety.

Seegene's key R&D projects

Development of automated MDx solutions



Seegene has independently built an automated system for molecular diagnostics, including DNA extraction system, automated system for PCR set-up, automated electrophoresis, POCT, real-time PCR tests, de-cappers and reagents for tools, thereby reducing manual work and the possibility of infection. Furthermore, we developed the AIOS that enables nucleic acid extraction, PCR test, and result analysis in an integrated way on a single platform. It is now used for the development of syndromic-based automated MDx solutions qualified to conduct quick tests on large-volume specimens.

Development of a COVID-19 diagnosis and variant screening product



We have developed multiplex real-time PCR diagnostic products capable of simultaneously testing SARS-CoV-2 that causes COVID-19 infection, influenza virus that causes seasonal flu, and RSV that causes a severe respiratory syndrome. These products are certified by European CE and Korean MFDS. On top of that, products that respond to the neutral reaction genes of the COVID-19 vaccine and swiftly diagnose the emergence of new variants are under development in order to ensure the quarantine, diagnosis, treatment and prevention of the possible spread of infectious diseases.

Development of GBS (Group B Streptococcus) typing for neonatal sepsis and meningitis



In collaboration with Chungbuk National University Hospital, Seegene has developed a testing product capable of monitoring dynamics of blood infection due to the infection of streptococcus agalactiae, a virus that causes neonatal sepsis and meningitis. This product features improved sensitivity compared to the existing molecular biological detection and enhances test efficiency using the simultaneous multiplex PCR method. We hope to add new diagnostic check items by expanding the detection area of key resistance genes in the future.



PRODUCT LIABILITY



Rate of nonconformity when inspecting finished products
(as of 2021)

0%

REINFORCING PRODUCT QUALITY AND SAFETY

Product performance assessment

Our major products are manufactured in the following process. Raw materials are first mixed at a certain ratio to get the semi-finished product 1. After clearing quality control, it is stored in a separate tube at a cold temperature as the semi-finished product 2 before being shifted to the finished product. The semi-finished product 2 is kept in cold storage for one to two years depending on demand. Although the semi-finished product 2 is supposed to last for three years before expiring, it is essential to check whether there are any performance changes due to unexpected causes in advance. Therefore, on a quarterly basis, Reagent Quality Management Team conducts performance assessment on the semi-finished products 2 with relatively high potential for performance change such as PC, IC and Marker.

The performance assessment is taken in the form of a comparative experiment: some of the semi-finished products 2 kept in cold storage are released from inventory. One is processed for 48 hours at 37°C, while the other is tested untreated. The assessment investigates whether the results meet the criteria specified in the QC manual at the time when the conditions for both products are similar. Failures during the assessment may result in the product of the LOT (unit produced using same materials and process) being labeled as unfit and therefore being disposed of. The packaged products will also be discarded. Seegene ensures product safety through such thorough quality control of semi-finished products.

Product performance monitoring

Seegene buys enzyme, its critical product component, from suppliers. Hence, it is imperative that its performance is verified and maintained. As the component LOT in finished products may sometimes change, it is important to check if the enzyme meets the QC manual required during the stocking stage and finished product screening. It is also important to check how well each LOT retains its persistent performance. Even if the enzyme meets the criteria, it may not be considered fit to retain a stable performance if the performance has improved since stocking, meaning there could be a considerable performance gap between the initial LOT and the current one.

Seegene gathers assessment results from finished products per enzyme and product to ensure stable performance. The results collected from the latest 10 LOTs are used to create a trend chart for comprehensive analysis. During this stage, the results are further analyzed to see whether the values are within the allowed range or placed toward a certain direction. If the accumulated result patterns are placed toward a certain direction or unevenly distributed within the allowed range, it is deemed a failure in regard to maintaining stable performance. The factors deemed to have affected the test are then traced. When an issue is confirmed, the product is sent to the research center for improvement. This series of steps allows Seegene to retain consistent performance for enzymes and finished products.

Strengthening safety review for product commercialization

Seegene performs clinical trials to reinforce its safety review for product commercialization and to assure the safety and validity of medical devices. Most of the clinical trials, conducted in accordance with the Institutional Review Board (IRB), investigate the potential harm caused by medical devices on human body. A clinical performance evaluation verifies clinical sensitivity and clinical specificity compared to confirmed tests. A correlation analysis on licensed products is also taken. Seegene thoroughly manages its plans, monitoring and reporting of the results of clinical trials, ensuring the safety of its products for consumers.



MANAGEMENT APPROACH

Our production system ensures high product quality and manufacturing consistency based on ISO 9001 and ISO 13485. In preemptive response to increasing consumer demands and regulations on product safety and environment Seegene operates a systematic production process built upon stringent quality control in accordance with country-specific regulations. Furthermore, to ensure inventory stability, each product is produced in independent facilities equipped with infection prevention systems such as Clean Rooms.

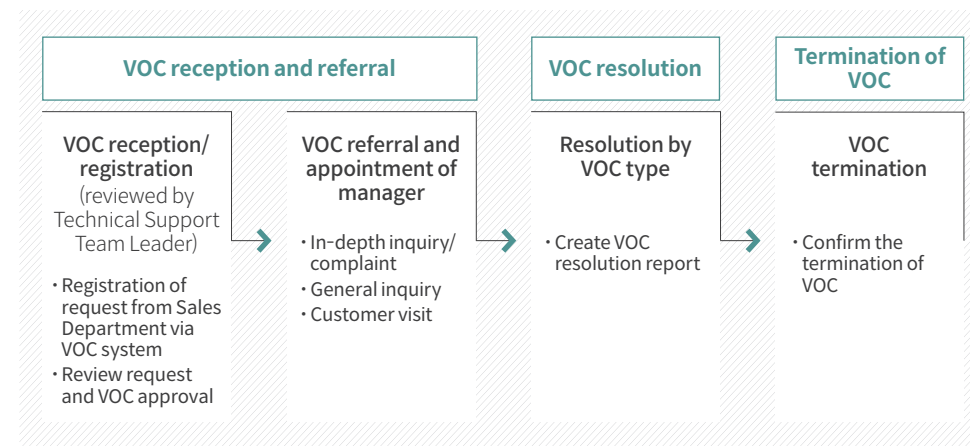
As a company specializing in molecular diagnostics, Seegene will continue to secure world-class technology and quality comparable to those of global leading diagnostics companies.

IMPROVING CUSTOMER SATISFACTION

VOC management system

Not only does Seegene collect customer opinions on its website, but it also runs the VOC (Voice of Customer) management system. The inquiries are categorized into “simple,” “general,” “professional,” and “complaint.” A customer manager receives the inquiries, fills out a customer request form and refers it to the responsible team. A statistical method is used to manage customer complaints. In 2020, a total of 6,242 inquiries were received and resolved.

VOC management process



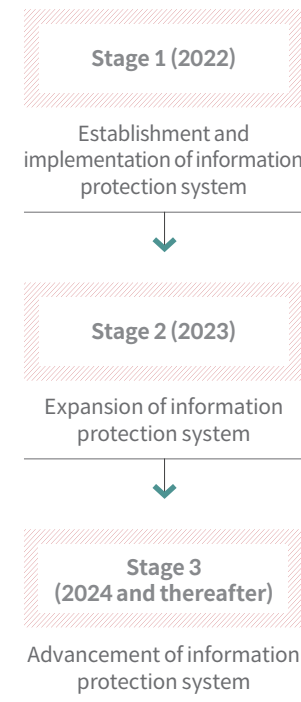
Customer satisfaction evaluation

To improve the quality of its service, Seegene collects various opinions and complaints, if any, about its products and services through customer satisfaction evaluations. We conduct bi-annual customer satisfaction evaluations on our products and services for domestic and international customers. Major evaluation items include product quality and result, use of automation equipment, correctional measures in case of functional issues, shipping periods and conditions, and technical support.

84 customers in 2020 and 70 customers in the first half of 2021 at home and abroad participated in the evaluation. The evaluation showed that all respondents received the exact volume of products they ordered. No customer reported a wrong shipment or temperature deviation while shipping, resulting in a high rate of customer satisfaction. Seegene will continue to provide customers with the right products and work to reflect customer voice to improve customer satisfaction.

INFORMATION PROTECTION

Information protection roadmap

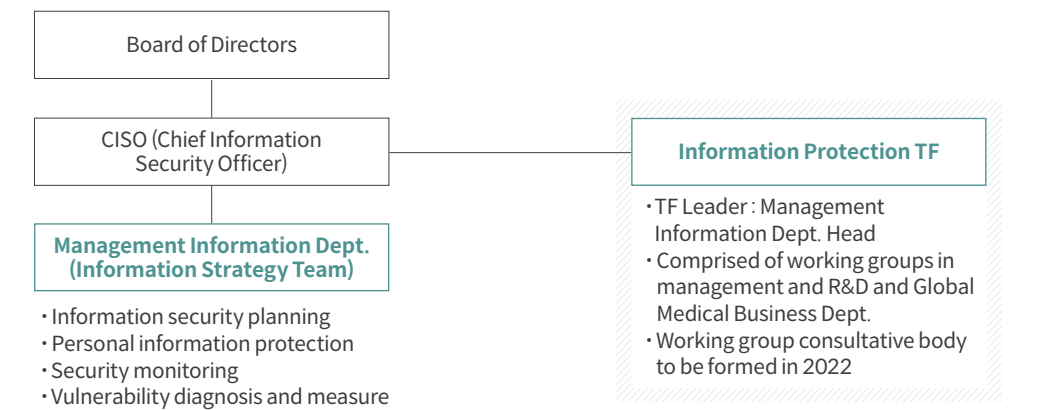


REINFORCING INFORMATION PROTECTION SYSTEM

Seegene has reinforced its information protection system to meet increasingly stringent privacy regulations. We have established the mid- to long-term roadmap for information protection, and we will improve vulnerability in our information protection system in 2022. We will also be certified on ISO 27001 in 2023.

Furthermore, we have appointed the CISO (Chief Information Security Officer). Information protection work is carried out mainly in four areas of information security planning, personal information protection, security monitoring, and vulnerability check and measure, led by the staff in charge of Information Strategy Team in Management Information Dept.. We also launched the Information Protection Task Force in 2021 to strengthen execution, in which working groups of the management and R&D divisions as well as Global Medical Business Dept. participated. The task force is led by the Management Information Dept. Head and supported by Information Strategy Team. The task force members share data, coordinate different views and hold weekly meetings.

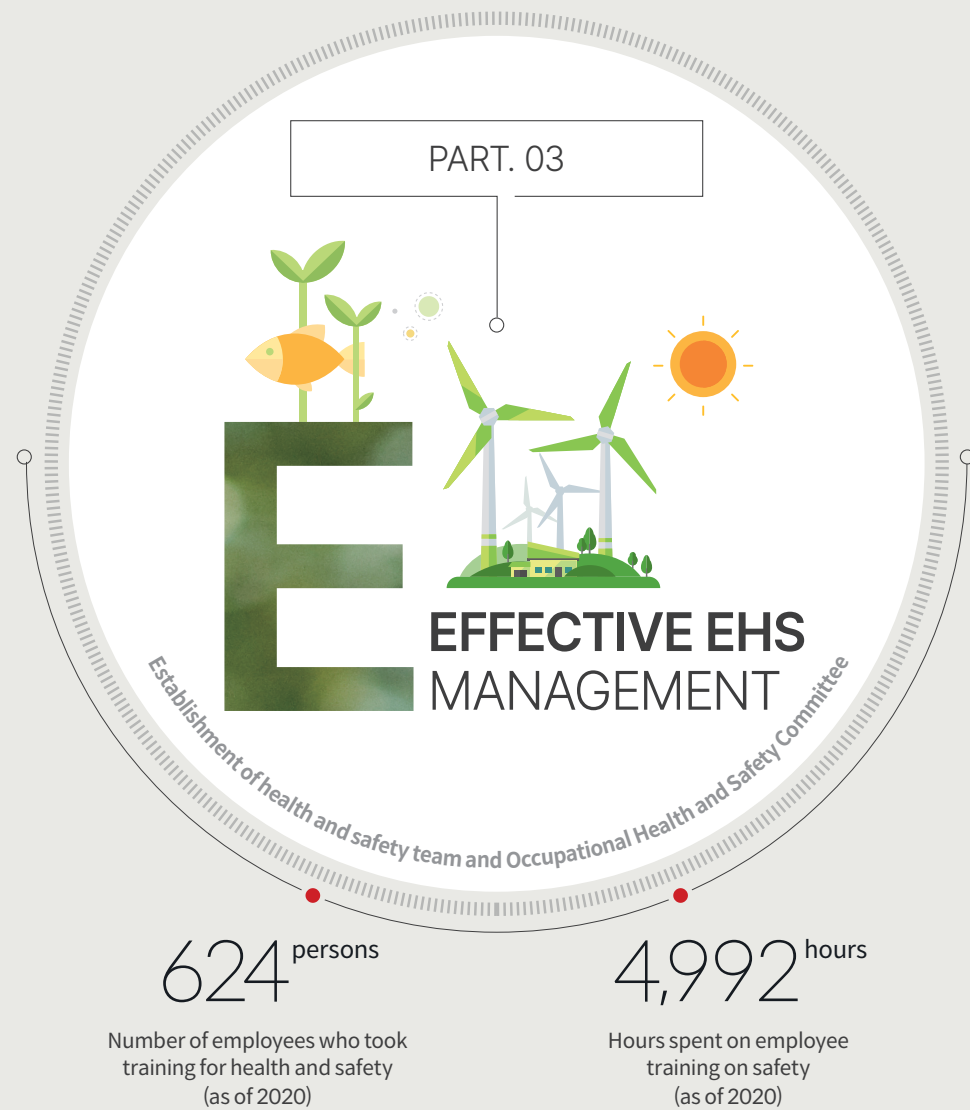
Information protection organization



POLICIES AND KEY ACTIVITIES FOR INFORMATION PROTECTION

In 2021, Seegene established a policy and guidelines for information protection. The guidelines encompass four areas: information protection, user security, IT security, and physical security. They also cover 16 topics including the operation of information protection organization, information asset management, human security, outsider security control, IT operation security and IT disaster recovery as well as 11 detailed procedures including the procedure on work computers entering and leaving the premise.

Moreover, we provide employees with trainings about the impact of security accidents on businesses and case studies (confidential information leakage, violation of privacy and ransomware) as well as countermeasures against spam mails. Seegene will continue to carry out vulnerability assessment and improvement activities on a regular basis in order to reinforce our information security capacity.



ENVIRONMENTAL MANAGEMENT

ENERGY AND GHG MANAGEMENT

Given the nature of our business, Seegene generates relatively low levels of Scope 1 and 2 GHG emissions. Instead, indirect emissions (Scope 3) from product transportation account for a greater share. To join the global efforts to address climate change, Seegene manages GHG emissions by installing the GHG inventory. In 2020 when we witnessed a dramatic increase in sales, around 1,600 ts of CO₂-eq were generated. We were able to minimize GHG emissions by using the PCM containers certified by Nature Office, a German environmental consulting firm, amid the large-scale urgent deliveries to Europe and South America. In an effort to further reduce GHG emissions, we plan to replace most transportation packaging with recycled or eco-friendly materials within 2022. Moreover, in cooperation with business partners, we will gradually introduce electric vehicles for product transportation.

WATER MANAGEMENT

Most water used by Seegene is residential. Since most of our buildings are rented, it is hard to make structural changes such as installing water reuse systems. Environmentally conscious employees at Seegene, however, always try to reduce water consumption, carrying out water-saving campaigns.

WASTE AND POLLUTANT MANAGEMENT

At Seegene, medical waste is generated in production facilities, and living waste is generated in administrative buildings. No environmental pollutants are emitted. Medical waste that cannot be reused is disposed of in accordance with the regulations. Seegene selects professional waste disposal firms on a yearly basis and thoroughly manages the entire disposal process. There is not much living waste generated within the company. Nonetheless, Seegene holds a variety of in-house environmental campaigns to encourage employees to be more aware of environmental preservation and to voluntarily try to reduce living waste.

CHEMICAL SUBSTANCE MANAGEMENT

Seegene complies with the following laws and regulations regarding chemical material management: "Chemicals Control Act," "Occupational Health and Safety Act" and "Act on the Safety Control of Hazardous Substance." Particularly, we inspect the hazards of chemical substances before handling, based on the GHS-MSDS. The lab safety manager monitors and checks chemical substance handling and the operation status of equipment on a regular basis. Seegene will strictly comply with laws related to chemical substance control and investigate harmful substance use on a regular basis, thus preventing accidents at worksites.



MANAGEMENT APPROACH

As climate change causes increasing natural disasters, a rise in sea levels and destruction of biodiversity, the demand for climate action has grown exponentially around the world. The U.S, China and major European countries have declared carbon neutrality, introducing a carbon border tax. In response to tightening environmental regulations, major global companies actively expand the use of renewable energies and reduce GHG emissions to ensure sustainable growth.

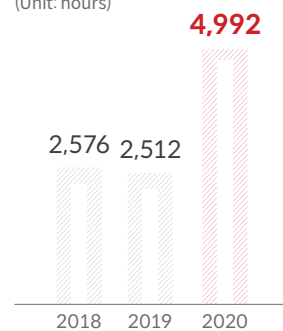
To join the global endeavor to address climate crisis, Seegene has also established GHG inventory and is developing a plan to reduce emissions from transportation. Amid the tightening regulations on industrial health and safety such as the enactment of the Severe Accident Punishment Act and the amended Industrial Accident Compensation Insurance Act, we are reinforcing responsible management by establishing advanced health and safety management measures and conducting industrial accident prevention activities.

As a global company in the field of molecular diagnostics, Seegene has launched the Safety&Health Team in 2021 and set up a plan for responsible health and safety management to ensure a safe working environment. Under the plan, we are implementing a variety of activities aimed at preventing accidents and protecting the health of employees.

HEALTH AND SAFETY

Time spent on safety training

(Unit: hours)



ESTABLISHMENT OF HEALTH AND SAFETY

With the CEO's declaration and determination to ensure health and safety, Seegene has established the health and safety management system. We comply with health and safety related laws and regulations and actively respond to their external requirements. We have prepared health and safety management regulations and the Occupational Health and Safety Committee operational rules. In 2021, health and safety guidelines were launched to further encourage health and safety management for stakeholders including business partners. Going forward, we will establish and run a more systematic system by obtaining the certification in health and safety management.

To create a safer working environment, we established an organization dedicated to health and safety in July 2021. We are also running the Occupational Safety and Health Committee is composed of members of employers at the team leader level or higher and members of workers for each function. The Committee deliberates, resolves and decides on key health and safety issues on a quarterly basis. As a result, there has been no safety accident at Seegene and its business partners for the past five years.

HEALTH AND SAFETY ACTIVITIES

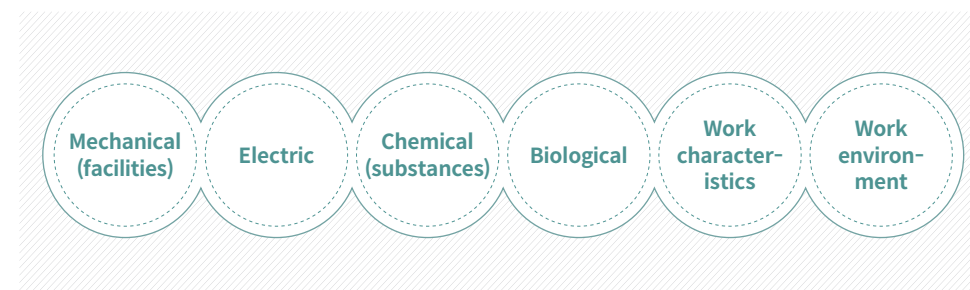
Health and Safety training

In addition to the legally mandatory training, Seegene provides diverse health and safety trainings to its employees. For example, in case of safety risk assessment, we invite experts from external institutions to conduct on-site trainings. In 2021, target-specific safety training was further strengthened by dividing the target group from the existing two to three to include researchers. The total number of training hours in 2020 was 4,992 hours and all employees and executives completed training programs.

Safety hazard assessment at worksites

At Seegene, a safety hazard assessment is conducted on a regular basis to prevent serious accidents. In 2021, the assessment was performed at 14 worksites, in which safety-specific institutions as well as our employees and safety managers of suppliers participated. Once they receive field training, all participants check the risk, draw risk estimation and improvement measures according to the inspection results, and prepare a report that includes the budget and improvement plan. Seegene will continue its safety hazard assessments to effectively prevent accidents and create a safe working culture.

Assessment factors of risks at worksites



Health and Safety inspection at worksites

Seegene conducts health and safety inspection in order to identify potential safety issues at worksites in advance. In the health and safety inspection in 2021, which was conducted with the participation of Seegene's safety managers and Korea Technical Safety, a total of 13 issues requiring improvement were identified and addressed immediately.



OVERVIEW

In response to the nationwide COVID-19 crisis since January 2020, Seegene established guidelines to ensure a safe work environment. Our activities against COVID-19 have been systematically operated in accordance with the guidelines.



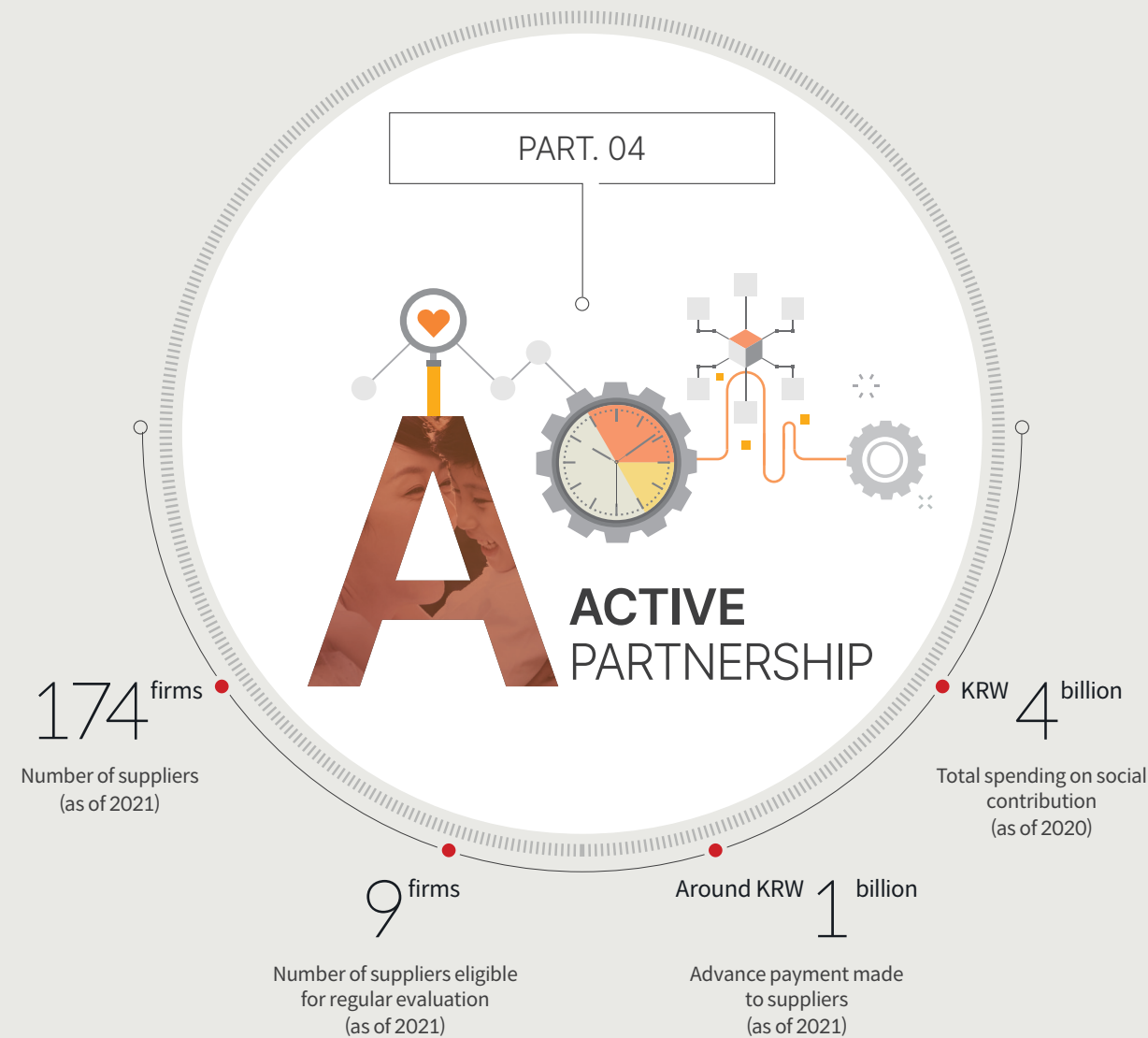
KEY ACTIVITIES

Seegene has been operating a COVID-19 response protocol. Each team performs its own role according to the protocol: Safety&Health Team for quarantine measures, Talent Management Team for employee attendance, IT Infrastructure Team for supporting remote work, and Laboratory Medicine Team for in-house checks for infection. The quarantine guidelines are strictly enforced by dividing cases into confirmed cases, close contacts, suspected contacts, and suspected symptoms. As for confirmed cases, medical supplies and daily necessities are delivered and online consultation services from affiliated hospitals are also provided. We have also set up a process to accommodate working from home. People & Culture Dept. provides those who work from home with guidelines, schedule management and delivery services.



KEY OUTCOMES

Approximately 800 employees at Seegene took a COVID-19 test from April 2021 to November 2021 with nine tested positive. We identified close contacts in advance so that they were tested quickly and reinforced communication with the quarantine authorities and the Reagent Manufacturing Dept., thus minimizing the loss in reagents production. We have also encouraged employees to get booster shots to secure research continuity.



RESPONSIBLE SUPPLY CHAIN MANAGEMENT



SUPPLY CHAIN POLICIES

Seegene ensures sustainable transactions and co-prosperity with competitive business partners to improve human health and quality of life. To this end, we run a transparent supplier selection process. Especially during the Covid-19 pandemic, we have secured competitive suppliers in Covid-19 diagnostic kit production, manufacturing of diagnostic equipment, and R&D. As of the first half of 2021, the number of our suppliers reached 174, accounting for KRW 251.7 billion.

In compliance with the “Seegene Code of Conduct,” Seegene cooperates with suppliers in an ethical manner. Our Supplier Selection Committee encourages suppliers to participate in Seegene’s ESG management by supporting them to fulfill corporate social responsibilities in such areas as human rights, labor, environment, anti-corruption and customer privacy. We will establish a guideline for the preferential purchasing of eco-friendly products by the first half of 2022, while improving the supplier ESG management support system in the second half. By doing so, we will further strengthen supply chain management and build a system to evaluate suppliers’ ESG management capabilities.

SUPPLY CHAIN SUPPORT PROGRAMS

Fair transaction programs for suppliers

Seegene conducts supplier evaluations regularly through online channels and one-on-one meetings, so that suppliers can faithfully fulfill their social responsibilities and comply with our ESG management policy on, for example, customer privacy. In addition, we strive to maintain amicable relationships with suppliers by collecting and analyzing their opinions on issues that arise in the transaction process and by actively accepting their ideas and suggestions for improvement.

Human rights and business ethics improvement programs for suppliers

Through regular evaluations of our suppliers, we check whether they have established human rights and business ethics guidelines and whether they are operating at the level required by Seegene. The evaluation results are shared with suppliers to encourage them to improve human rights and ethical management to the level we require.

Advance payment to suppliers

Seegene provides benefits such as rewards and preferential conditions for purchase to excellent suppliers based on the results of regular supplier evaluation. Selecting excellent suppliers is conducted in transparent procedures and methods. As for four excellent outsourcing manufactures, we paid KRW 1 billion in advance, which was 35% of the total transaction amount of KRW 2.7 billion. Seegene will continue to strive for co-prosperity by advancing payments to small and medium-sized suppliers who have difficulty in their finances.



MANAGEMENT APPROACH

Seegene pursues a fair and transparent relationship with competitive partners to ensure a sustainable business. To this end, our Supplier Selection Committee evaluates the level of social responsibility and ethical practice of business partners.

In a bid for co-prosperity with local communities amid the COVID-19 pandemic, Seegene has donated funds to the Community Chest of Korea, and COVID-19 diagnostic kits and hazmat clothing to communities at home and abroad.

In accordance with the direction of our sustainability management, Seegene will establish a system to manage ESG activities of business partners by 2022. By doing so, we will promote responsible supply chain management and social contribution centered on addressing local issues and creating impacts for communities.

IMPACT ON LOCAL COMMUNITIES

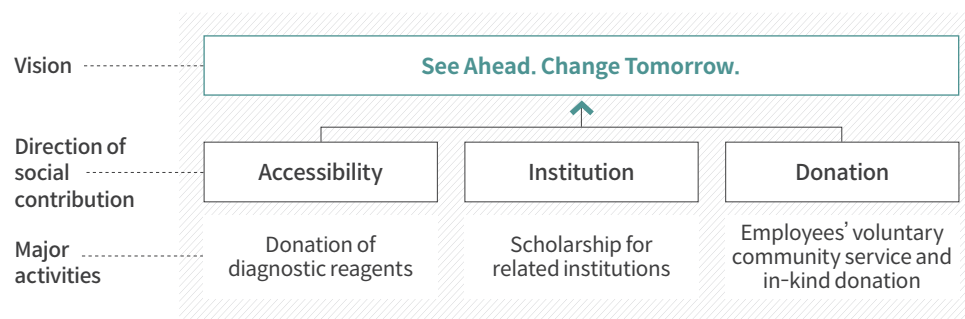


Donation of diagnostic reagents and kits to Brazil's Ministry of Health

2 million units

DIRECTION OF SOCIAL CONTRIBUTION

Considering that we are a pharmaceutical company, our social contribution strategy and activities are promoted in three directions of "Accessibility," "Institution," and "Donation." Particularly, in 2020, social contribution activities were focused on "Accessibility" to actively respond to the COVID-19 pandemic.



Donation of diagnostic reagents and tools – "Accessibility"

Seegene does its utmost to deliver both happiness and health to humanity, while fulfilling corporate social responsibility. As we believed that we could fulfill our social responsibility by promptly supplying diagnostic products in the pandemic, we have donated COVID-19 diagnostic reagents and kits, as well as protective clothing and freezers for storing quarantine products. In South Korea, Seegene donated reagents to cover approximately 40,000 people and the necessary supplies to KAIST in October 2021 to allow the university to test up to 7,500 students a day and check results within three hours.

In April and May 2020, in collaboration with Shinhan Financial Group, we donated 10,000 diagnostic kits and 300 hazmat suits to Myanmar's Ministry of Health and Sports and 5,000 diagnostic kits to the Korean American Medical Association of New York and Indonesia's National Disaster Prevention Authority. Seegene Mexico donated 50,000 diagnostic kits, 10,000 filter masks and 50 refrigerators to store quarantine supplies to the government of Mexico City. In November 2020 and June 2021, we delivered 20,000 diagnostic kits and 2 million molecular diagnostic kits and reagents to Ecuadorian government and Brazil's Ministry of Health and Welfare, respectively.

Donation of diagnostic reagents and quarantine supplies



Total amount of scholarship donated to Sahmyook University

KRW 630 million



Total donation to Chest of Korea

KRW 4 billion

Institution Scholarships to related institutions – "Institution"

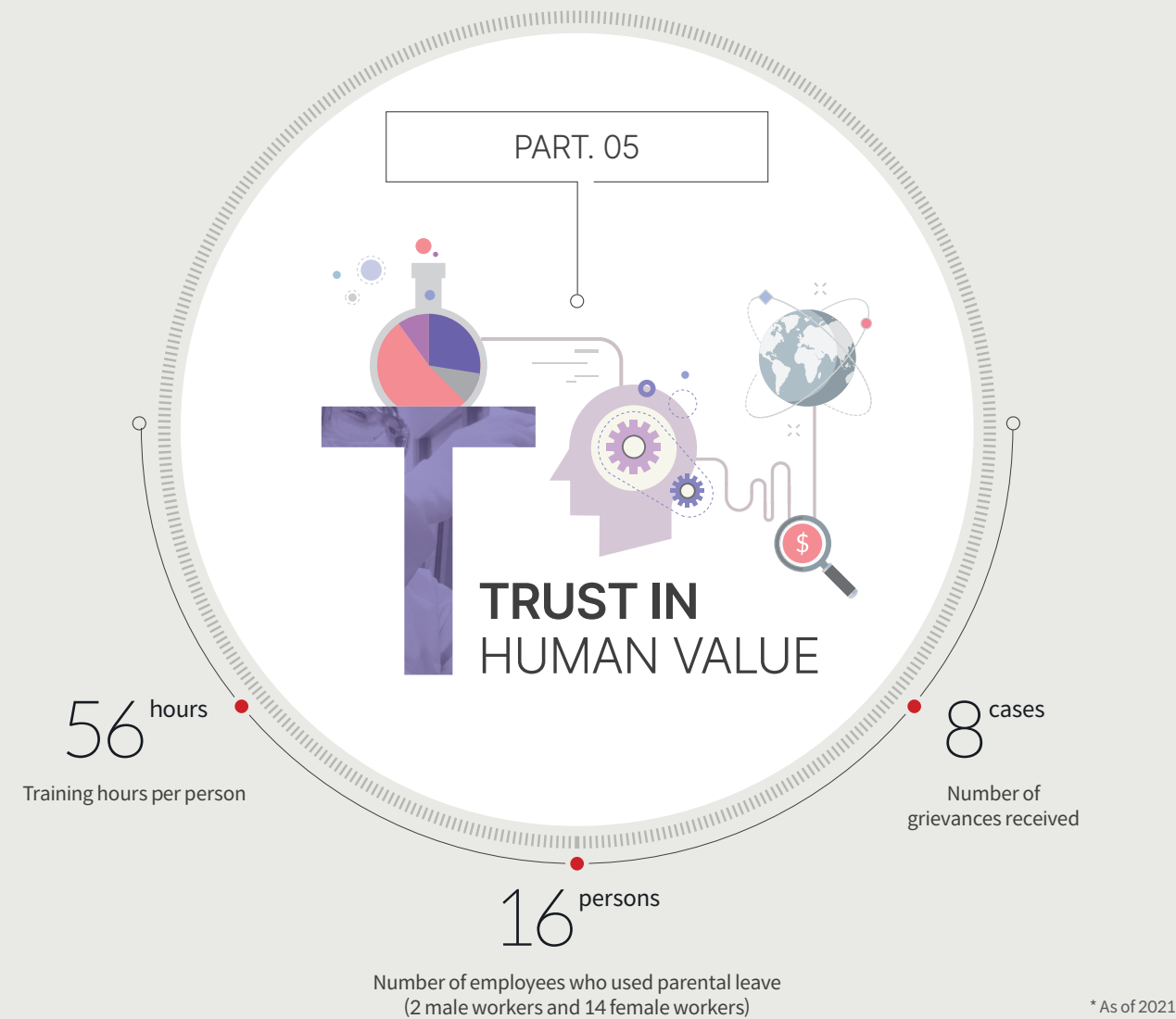
Seegene Medical Foundation has funded scholarships to Sahmyook University with the aim of nurturing experts in medicine and science and improving disease diagnoses. Following the donation to Sahmyook University Laboratory of Chromosome Engineering in 2016, Seegene donated a further KRW 120 million, which was given to graduate students and researchers from Vietnam, China and Nepal. In September 2021, the foundation delivered another KRW 500 million for scholarships for foreign students in master's and doctorate degrees in life sciences. The scholarship was granted to students from Vietnam, Kazakhstan, Uzbekistan and Indonesia, who were selected on recommendation from professors in life sciences and health departments. They are also granted employment opportunities at Seegene Medical Foundation post-graduation.

Employees' voluntary community service and in-kind donation – "Donation"

At Seegene, employees make cash and in-kind donations as part of their social responsibility and carry out voluntary community service. In 2020, Seegene separately donated KRW 1 billion and a further KRW 3 billion to the Chest of Korea to help people and small business owners reeling from the long-term impact of the pandemic and to prevent the potential collapse of the medical system. Every year, our employees also volunteer for various community service activities such as briquette donations, soap for life and hat-making for newborn babies.

Employees' voluntary community service activities





HUMAN RESOURCES

STRENGTHENING EMPLOYEE SKILLS AND EXPERTISE

Systematic leadership programs

Seegene believes that the power to change an organization lies within its leaders. Hence, we offer leadership trainings for each specific position to all employees. A one-on-one coaching program was introduced in 2021 in order to ensure the effective implementation of duties by executives and to support changes in leadership. Skill-up courses for consultation are given to help team leaders to hone their skills in coaching and feedback on a quarterly basis. Seegene encourages employees to develop their leadership skills through a company newsletter titled “Leaders’ Self-Recognition.”

Potential leaders are provided with position-specific leadership trainings to further their understanding of what leadership means and to foster the development of leadership qualities. In addition, followership courses are given to junior-level employees, while introductory leadership course, named “Influence Exertion,” is given to mid-level managers. The Birkman Team Building course, aimed at promoting diversity and stimulating a positive attitude, was held 16 times in 2021, creating the desired atmosphere where leadership and partnership co-exist. Seegene will continue to expand access to specialized leadership training programs for more employees.

Reinforcing competence

Seegene offers onboarding programs and introductory trainings to acclimate new employees and support their job performance. In particular, R&D personnel are provided with an intensive and practical program on product development.

We introduced programs of support for master’s and doctorate degrees for employees who hope to further their education. Seegene also provides job competence programs on topics such as work smart, reporting skills, and planning skills.

In preparation for global business expansion, English-speaking sessions on phone and foreign language courses were introduced for leaders in 2020. Since 2021, the company has expanded and offered such courses to all employees, with an average of 300 employees participating each month.

Establishment of learning platform for employees

Seegene Learning Cloud was launched in May 2021 - a group-wide platform designed to give employees 24/7 access to online learning programs. Employees can choose from 2,500 courses on, for example, management & leadership, professional duties and foreign languages for free. An average of 300 employees per month take courses to improve their job competence.



MANAGEMENT APPROACH

Seegene implements a wide array of activities to internalize human rights management with the belief that the philosophy of respect for human rights should be embedded in corporate culture and systems. The rights of all Seegene employees are thoroughly protected in accordance with global standards for human rights and labor, as well as the laws of the country where each business site is located.

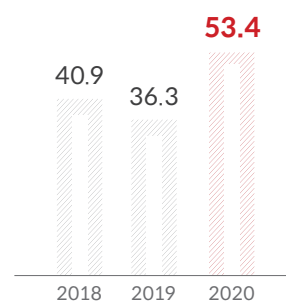
Moreover, Seegene recognizes that employees are its greatest asset. Thus, we actively secure talent and offer diverse training programs. We will continue to improve quality of life for our employees and establish a healthy organizational culture in which human rights are respected.

REASONABLE COMPENSATION SYSTEM

Compensation system

In 2021, Seegene restructured its human resources system to further foster shared growth with its employees. All employees at Seegene set quarterly and yearly goals and hold regular review meetings with team leaders, which allows them to check their progress on goals and thus raises their sense of ownership. Incentives are given depending on quarterly, half-yearly, and yearly performance. In 2020, Seegene gave out substantial rewards to employees who contributed to the company's growth. In 2021, as a symbolic move to bring together the growth of the company and employees, we granted treasury shares to our employees, encouraging an environment where employees are engaged in their works and can achieve excellent outcomes.

Share of younger employees (34 years of age or younger)
(Unit: %)



ATTRACTING OUTSTANDING TALENT

Securing excellent human resources is a priority to strengthen competitiveness in bio industry. To this end, Seegene maintains a salary system higher than the industry average. To attract younger, talented employees, Seegene raised the starting salary by 13.4% year on year, resulting in an enhanced competitive hiring process. More than 70% of all employees are 34 years of age or younger, which displays our contribution to creating youth employment. Additionally, since the second half of 2021, as a symbolic gesture to connect the company's performance with employee's growth, Seegene earmarked a certain share of its sales and operating profit as treasury shares.

EMPLOYEE WELFARE PROGRAMS

Welfare benefits

Seegene operates various welfare benefits to ensure employees' work-life balance, including reduced working hours, encouragement of parental leave and subsidies for childbirth and daycare centers. We also introduced staggered hours as a flexible work arrangement to help employees to take care of their work and families simultaneously. In addition to an annual paid leave, it is recommended that employees use vacations to take care of themselves and recharge. Long-serving employees are provided with a one-month sabbatical leave along with rewards.

Moreover, to ensure health and safety of employees, we finance health checkups, flu vaccinations, group accident insurance schemes and cash subsidies of severe diseases (covering employees' parents and children as well). Financial supports throughout the life cycle include housing loans, emergency loans for marriage or medical treatment, and expenses for family events.

Major welfare schemes

Work and life balance



Reduced working hours, encouragement of parental leave, subsidies for childbirth and daycare centers, staggered hours, Care Healing Day, long-service reward programs and more

Health and safety



Health checkups, flu vaccinations, group accident insurance schemes, cash subsidies for serious diseases

Financial support



Mortgage subsidy, emergency life stability capital, family congratulations and condolences



Seegene operates an in-house clinic, named "Seegene Clinic," to treat and protect employees from physical and mental health issues. Opened in August 2021, Seegene Clinic is now accessible to both employees and their families, providing customized treatment and vaccination services. Seegene Clinic also offers treatment for chronic fatigue, stress, and anti-aging program. A total of 222 employees and their family members received treatment at Seegene Clinic in 2021. Seegene pledges to improve its employees' quality of life and to create an environment where the company and employees can thrive together.

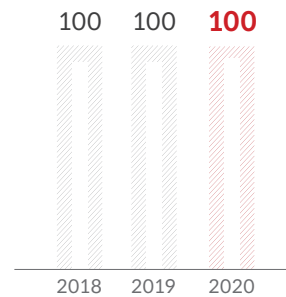
HUMAN RIGHTS MANAGEMENT

ESTABLISHMENT OF POLICIES ON HUMAN RIGHTS MANAGEMENT

Policies on human rights management

As a global healthcare company, Seegene is actively promoting human rights management. We have established the policies on human rights management based on the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, The Ten Principles of the UN Global Compact, and ILO Fundamental Conventions. The policies cover the following areas: non-discrimination; protection of employee's health and safety; prevention of forced labor and child labor; ethics for business partners, customers and local communities; and prevention of human rights violations.

Percentage of employees who received human rights education
(Unit: %)



OPERATION OF HUMAN RIGHTS MANAGEMENT PROGRAMS

Training on human rights

To build a corporate culture of respect for human rights, Seegene conducts annual training to prevent human rights violations and discrimination. Training on sexual harassment prevention is compulsory once a year for at least an hour. In addition, training on workplace bullying, prejudice and discrimination against people with disability are provided. In 2020, all employees at Seegene completed the training on human rights.

Signing human rights management pledge and distributing booklets on human rights

Since 2021, Seegene has implemented various activities to strengthen human rights management. For instance, employees are required to write a pledge on Mutual Respect, and trainings on the Code of Conduct are frequently offered to encourage them to comply with business ethics. Moreover, Seegene distributes human rights case booklets to help employees take swift and appropriate action when faced with an ethical issue while completing work assignments.

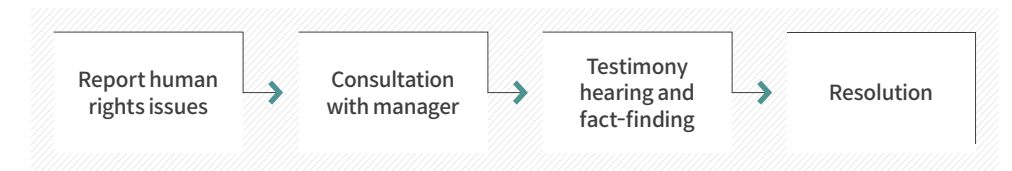
MONITORING HUMAN RIGHTS MANAGEMENT

Human rights grievance settlement system

To eradicate human rights violations such as sexual and workplace harassment, Seegene has formed a team dedicated to human rights affairs. Since 2019, the Grievance Counseling Center has operated so that employees can immediately report their complaints via online and offline channels. The identity of those who file grievances is strictly protected to ensure that no employee is subject to mistreatment or other such disadvantages. We also appointed a female manager who is dedicated to female whistleblowers, alleviating their psychological burden and enhancing accessibility.

When an issue is submitted to the Grievance Counseling Center, the person in charge checks the seriousness of the issue through consultation and conducts a fact-finding procedure. Afterwards the results are delivered to the Deliberation Committee and the Personnel Committee to take appropriate actions. Up until 2020, no reports have been filed. In 2021, seven reports on workplace harassment and one case of sexual harassment were reported. As a result, the Personnel Committee handed down three reprimands and one suspension. Regardless of the position of the accused, all cases involving human rights violations were subject to severe punishment scrutiny. The resulting punishment dictated by the Personnel Committee was delivered to the accused in writing or email.

Human rights grievance handling process



ESTABLISHING A CULTURE OF RESPECT FOR HUMAN RIGHTS

Seegene strives to fundamentally eradicate human rights violations. As part of that, we introduced the Birkman Method, an instrument to measure personality traits, to foster group-wide team building capacity. It has allowed employees to further identify different personal characteristics and communicative styles each individual employee prefers, contributing to promoting mutual understanding among them. To provide better mental health care, which has become even more critical with "Corona Blue," Seegene is developing an employee assistance program, named "Seegene on Heart" in collaboration with external professional institutions. Seegene will remain dedicated to embedding the philosophy of human respect in our corporate culture and systems.

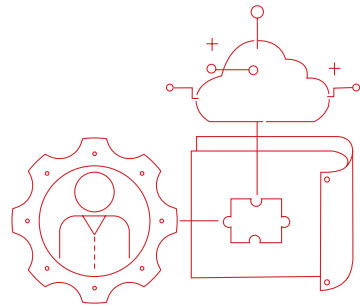


SUSTAINABLE FUNDAMENTALS

Seegene has been improving its management system for ESG practices. We have realigned our decision-making process for ESG management and further strengthened to provide standards for behavior and value judgment for ESG practice. Additionally, we actively listen to our stakeholders' opinions through diverse communication channels and reflect them in our business activities.



GOVERNANCE



COMPOSITION AND OPERATION OF THE BOARD OF DIRECTORS

Composition and role of the Board of Directors

At Seegene, the Board of Directors (BOD) is the highest decision-making body that deliberates and determines significant management issues. The BOD consists of two independent non-executive directors, two executive directors, and one other non-standing managing director, thus ensuring independence from the management. The BOD is chaired by Jong-Yoon Chun, the CEO.

BOD members

Position	Name	Gender	Date of appointment	Responsibilities	Major career
Executive Director	Jong-Yoon Chun	Male	Mar. 23, 2009	CEO, COO (Chief Operating Officer)	<ul style="list-style-type: none"> Former, Post-doctoral researcher at Harvard University and UC Berkeley Former, Professor, Department of Biology, Ewha Womans University
	Jung-Lyong Kim	Male	Mar. 26, 2020	Finance Management Dept. Head	<ul style="list-style-type: none"> Former, Director at Taesan LCD
Other Non-executive Managing Director	Kyong-Joon Chun	Male	Mar. 18, 2011	Business Advisor	<ul style="list-style-type: none"> Former, Vice President of Samsung Electronics
Non-executive Director	Hong-Il Youn	Male	Mar. 22, 2013	Non-resident Business Advisor	<ul style="list-style-type: none"> Current, Director at Hyorim Accounting Firm (CPA)
	Chang-Se Lee	Male	Mar. 26, 2020	Non-resident Legal Advisor	<ul style="list-style-type: none"> Former, Director of Audit, Supreme Prosecutor's Office Current, Attorney at Dong-in Law Firm

* As of shareholder's meeting in March 2021

Function and operation of the Board of Directors

Seegene's Board of Directors operates in compliance with the BOD operation rule that dictates the power and responsibility of the directors, operating procedures, and resolution methods. The BOD convened 8 times in 2020 and 11 times in 2021 to resolve the following issues: appointment of the CEO, approval of the report on the operational status of the internal accounting management system, and cash dividends. Before holding a BOD meeting, Seegene informs non-executive directors of the agendas in detail through the Finance Group and provides additional support from external experts when needed. Moreover, the articles of association allow directors to attend meetings remotely.

The attendance rate of the BOD members was 96% in 2020 and 100% in 2021. Seegene plans to revise its work process to ensure faster response when non-executive directors request support from employees or external experts.

BOD meetings in 2020

Number of meetings convened	Number of agendas resolved	Number of agendas approved	Average attendance rate
8	18	18	96%

Expertise and efficiency of the BOD

When appointing non-executive directors, Seegene requires candidates to submit documents confirming that they do not hold personal interest in the company and its critical affairs to ensure their objectivity. We appoint non-executive directors from various fields to ensure the expertise and diversity of the BOD. Currently, except for Chang-Se Lee, who serves as a non-executive director at the BOD of Daishin Securities, no other non-executive directors hold a director position at other firms.

The BOD monitors how individual directors perform their duties. Therefore, in the event of any unfair business practice or ethical violation by a director, the BOD can exercise its authority to request suspension or a change in handling the agenda.

Seegene will provide directors with a more detailed description of its agendas to make certain that critical business judgement be formed in a practical manner.

Performance evaluation and remuneration

Although Seegene does not currently have criteria for evaluating the Board's performance, we plan to amend this and introduce a new set of standards. Remuneration for executive directors is determined based on their position, the nature of their role, and performance. To ensure independent and transparent remuneration, external directors receive a fixed amount in accordance with their individual contracts. The total remuneration for directors is paid within a limit approved at the annual general shareholders' meetings.

Average remuneration for directors (Unit: KRW in thousands)

Position	Number of members	Total remuneration	Average remuneration per director
Registered Directors	4	2,487,747	621,937
Independent Directors	2	49,638	24,819

* Based on the Board members in 2020

ESTABLISHING SYSTEMS FOR ESG MANAGEMENT



Seegene has launched a unit dedicated to ESG management in a bid to systematically execute sustainability management activities. The unit is playing a key role not only in establishing Seegene's strategies and activities regarding environment, society and governance, but also in enhancing competence in ESG management. We also intend to create a decision-making process that makes it mandatory to report major ESG agendas to the Board of Directors.

Sub-committees of the Board of Directors

Although there is no sub-committee currently, Seegene plans to promote the establishment of necessary sub-committees by amending the Articles of Incorporation at the general shareholders' meeting in 2022 for efficient and transparent management. Particularly, we are reviewing the establishment of the Non-executive Director Selection Committee to prepare ourselves for a recognition as a large-scale listed company in accordance with the Commercial Act and to ensure a transparent non-executive director appointment procedure.

SHAREHOLDERS

Shareholder composition

As of December 2021, Seegene has issued a total of 52,225,994 shares, of which 51,566,623 shares have voting rights excluding 659,371 treasury shares. All the shares issued by Seegene are common shares with a single voting right per share.

24 shareholders – including Jong-Yoon Chun, the CEO who is the largest shareholder, his relatives, executives, and Seegene Medical Foundation – hold approximately 30.97% of the shares. The CEO is the only shareholder who holds more than 5% of the shares. Information on the shareholder composition is public on the business report. The cash dividends paid in 2020 totaled KRW 38.99 billion.

Shareholder composition (Unit: %)

Shareholder	Share ratio
Individual shareholders	49.0
Controlling shareholders	30.9
Foreign investors	13.8
Domestic institutions	4.8
Treasury shares	1.3
Other corporations	0.2

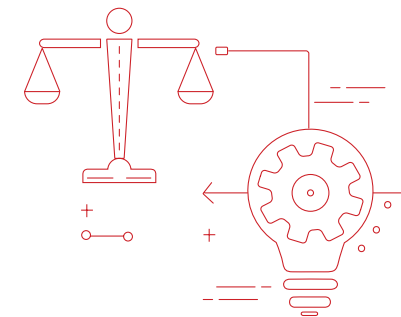
* As of Dec. 31, 2021

Efforts to guarantee shareholders' rights and activities

The date and venue of the shareholders' meeting are determined by the Board of Directors, and the notice of convocation is sent 15 days prior to the event. Seegene recommends a system of proxy voting for all shareholders; they were permitted to electronically cast their ballots in both 2020 and 2021 due to the pandemic.

If necessary, we will continue to ensure access to an electronic voting system in the future and will fulfill our obligation to comply with the laws and regulations needed to guarantee shareholders' rights and activities.

MANAGEMENT OF BUSINESS ETHICS



PROGRAMS ON BUSINESS ETHICS

In order to support employees to understand business ethics and their need to comply with the Code of Conduct, Seegene offers programs on business ethics such as field training and training on fair transactions. We also distribute casebooks on the Seegene Code of Conduct practices across the entire company for employees to refer to when facing an ethical issue that may arise. Employees are required to sign pledges on complying with the Seegene Code of Conduct and Mutual Respect, designed to help them to make a right decision in performing their duties.

ESTABLISHMENT OF POLICIES ON BUSINESS ETHICS

Seegene conducts business in a fair and transparent way in compliance with laws and business ethics. As part of that, we have established the Seegene Code of Conduct to meet the increasing demands of society. The Seegene Code of Conduct serves as value judgment criteria that all Seegene employees, regardless of position, must adhere to, in order to prevent unethical conduct. It consists of four major pillars: ethics for employees, honest and fair performance, protection of stakeholders, and reporting of acts of violation. The Seegene Code of Conduct is applied to each and every Seegene employee, serving as a compass for the company's goal to make molecular diagnostics accessible to all and improve health for humanity.

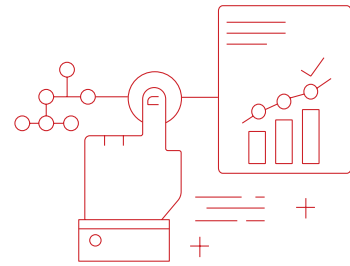
Seegene Code of Conduct

Major principles	Description
Ethics for employees	Set of fundamental ethics applied to all employees
Honest and fair performance	Standards that all employees should observe when performing duties
Protection of stakeholders' interest	Basic responsibility of all employees to customers and shareholders
Report on violations	Obligation to report violations of the Seegene Code of Conduct

MONITORING BUSINESS ETHICS

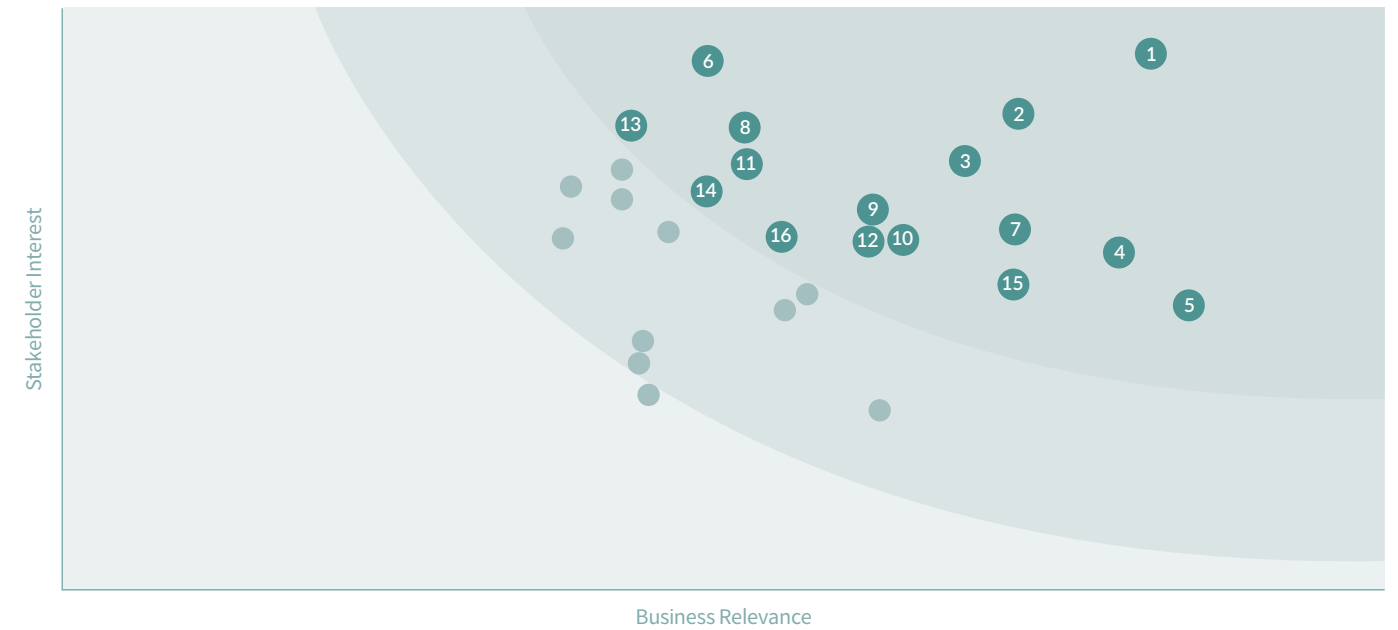
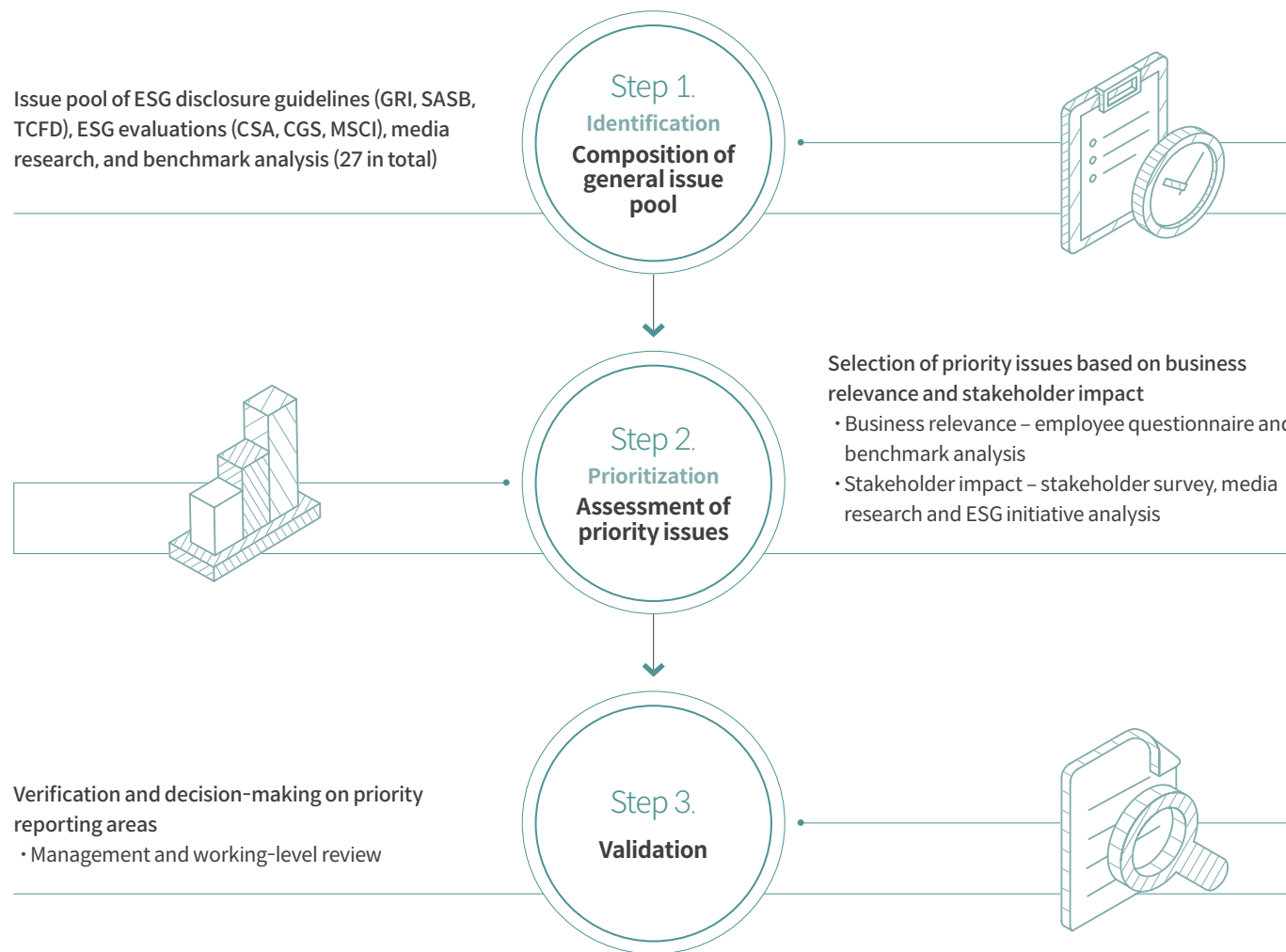
We have a whistleblower mechanism in place to allow employees to report any unethical behaviors and misconducts through an internal channel. When a case is reported, the Audit Team investigates it in a fair manner and the identity of the whistleblower is kept anonymous. Seegene informs employees of the whistleblower mechanism and the reporting channel in the ethics training course to raise awareness of business ethics. In 2020, there was no report through the internal reporting channel. We will continue to strengthen the monitoring of business ethics to create transparent corporate culture.

MATERIALITY ASSESSMENT



Seegene conducted a materiality assessment in order to identify major sustainability management issues arising from business activities and to share the results with stakeholders in a transparent manner. Through the assessment, 16 material issues were identified from the pool of 27 general issues. A stakeholder survey was conducted in the materiality assessment, and a total of 342 stakeholders offered their opinion. The materiality issues are reported in detail to respond to stakeholders' interests.

Materiality assessment process



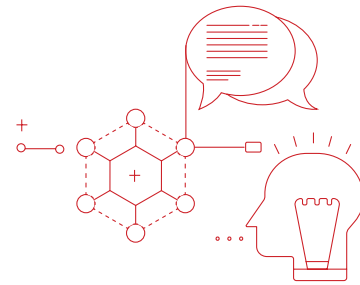
Materiality assessment results

Ranking	Materiality issues	Reporting scope*	Reporting contents	Reference
1	Business innovation	Internal	Technical Innovation – product innovation	p.19
2	Reinforcing product liability	Internal & external	Responsible Business – product liability	p.23-24
3	Enhancing supply chain management	Internal & external	Active Partnership – responsible supply chain management	p.31
4	Strengthening employee capacity and nurturing business experts	Internal	Trust in Human Value – human resources, human rights management	p.35-36
5	Establishing an employee-friendly corporate culture	Internal	Trust in Human Value – human resources, human rights management	p.36-37
6	Strengthening responsibility for shareholders and governance	Internal & external	Sustainable Fundamentals – governance	p.42-44
7	Reinforcing health and safety management at workplace	Internal	Effective EHS Management – health and safety	p.28-29
8	Improving ESG disclosure and communication on ESG performance	External	Sustainable Fundamentals – stakeholder engagement & KPIs	p.48,54-58
9	Reducing waste generation	Internal	Effective EHS Management – environmental management	p.27
10	Strengthening GHG management	Internal & external	Effective EHS Management – environmental management	p.27
11	Establishing environmental management system	Internal & external	Effective EHS Management – environmental management	p.27
12	Enhancing business ethics	Internal	Sustainable Fundamentals – business ethics	p.45
13	Effective compensation system for the management	Internal	Sustainable Fundamentals – governance	p.43
14	Strengthening financial and non-financial risk control	Internal	Sustainable Fundamentals – business ethics	p.45, business report
15	Enhancing customer information protection	Internal & external	Responsible Business – information protection	p.25
16	Implementing strategic social contribution activities	Internal & external	Active Partnership – impact on local communities	p.32-33

* Stakeholders related to materiality issues and reported contents

STAKEHOLDER ENGAGEMENT

Seegene defines all parties that directly and indirectly affect the company's management activities as stakeholders. In particular, customers, shareholders & investors, employees, business partners, government & relevant agencies, and local communities & NGOs are classified as key stakeholder groups. Their opinions are collected through different communication channels, and we reflect important opinions on management activities.



	Communication channels	Expected benefits
 Customers	<ul style="list-style-type: none"> • Customer satisfaction survey • Customer inquiry through website 	Enhancing customer communication and establishing strategies for business innovation and mid-to-long term growth
 Shareholders & investors	<ul style="list-style-type: none"> • Publication of sustainability report • Disclosure of financial information • IR inquiry through website • IR event • Survey for institutional investors 	Disclosing transparent information on long-term growth potential from ESG perspective
 Employees	<ul style="list-style-type: none"> • Corporate intranet • Labor-management council • Employee satisfaction survey 	Reinforcing respect for human rights and health and safety management
 Business partners	<ul style="list-style-type: none"> • One-on-one meeting with major business partners • Survey for business partners 	Establishing a network of partnerships for shared growth and implementing managerial and technological support programs
 Government & relevant agencies	<ul style="list-style-type: none"> • Information disclosure through website • Press release 	Complying with laws and regulations on business ethics
 Local communities & NGOs	<ul style="list-style-type: none"> • Interview with local communities and NGOs • Partnership for social contribution 	Generating business-based social impact and establishing and implementing social contribution strategy

APPENDIX



GRI STANDARDS INDEX

GENERAL STANDARD DISCLOSURES (GRI 100)

Classification	Index	Description	Page	Assured
Organizational Profile	102-1	Name of the organization	p.6	V
	102-2	Activities, brands, products, and services	p.6	V
	102-3	Location of headquarters	p.6	V
	102-4	Location of operations	p.8-9	V
	102-5	Ownership and legal form	p.8-9	V
	102-6	Markets served	p.8-11	V
	102-7	Scale of the organization	p.6,8-9	V
	102-8	Information on employees and other workers	p.6,55-56	V
	102-9	Supply chain	p.31	V
	102-10	Significant changes to the organization and its supply chain	About this Report	V
	102-12	External initiatives	p.62	V
	102-13	Membership of associations	p.62	V
	Strategy	102-14	Statement from senior decision-maker	p.4-5
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	p.45	V
	102-17	Mechanisms for advice and concerns about ethics	p.45	
Governance	102-18	Governance structure	p.42	V
	102-21	Consulting stakeholders on economic, environmental, and social topics	p.43	
	102-22	Composition of the highest governance body and its committees	p.44	
	102-23	Chair of the highest governance body	p.42	
	102-24	Nominating and selecting the highest governance body	p.42	
	102-25	Conflicts of interest	p.42-43	
	102-27	Collective knowledge of the highest governance body	p.42-43	
	102-28	Evaluating the highest governance body's performance	p.43	
	102-31	Review of economic, environmental, and social topics	p.43	
	102-32	Highest governance body's role in sustainability reporting	p.43	
	102-35	Remuneration policies	p.43	
102-36	Process for determining remuneration	p.43		
Stakeholder Engagement	102-40	List of stakeholder groups	p.48	V
	102-41	Collective bargaining agreements	p.62	V
	102-42	Identifying and selecting stakeholders	p.48	V
	102-43	Approach to stakeholder engagement	p.48	V
	102-44	Key topics and concerns raised	p.48	V
Reporting Practice	102-45	Entities included in the consolidated financial statements	About this Report	V
	102-46	Defining report content and topic Boundaries	About this Report	V
	102-47	List of material topics	p.47	V
	102-50	Reporting period	About this Report	V

Classification	Index	Description	Page	Assured
	102-51	Date of most recent report	About this Report	V
	102-52	Reporting cycle	About this Report	V
	102-54	Claims of reporting in accordance with the GRI Standards	About this Report	V
	102-55	GRI content index	p.50-52	V
	102-56	External assurance	About this Report, p.60-61	V
	Management Approach	103-1	Explanation of the material topic and its Boundary	p.46-47
103-2		The management approach and its components	p.18,22,26,30,34	V
103-3		Evaluation of the management approach	p.42-43	V

ECONOMIC (GRI 200)

Classification	Index	Description	Page	Assured
Economic Performance	201-1	Direct economic value generated and distributed	p.54	
	201-4	Financial assistance received from government	p.54	
Procurement Practices	204-1	Proportion of spending on local suppliers	p.56	
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	p.58	
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p.58	

ENVIRONMENTAL (GRI 300)

Classification	Index	Description	Page	Assured
Energy	302-1	Energy consumption within the organization	p.54	
Water and Effluents (2018)	303-5	Water consumption	p.54	
Emissions	305-1	Direct (Scope 1) GHG emissions	p.27	V
	305-2	Energy indirect (Scope 2) GHG emissions	p.27	V
	305-5	Reduction of GHG emissions	p.27	V
Effluents and Waste	306-2	Waste by type and disposal method	p.54	V
	306-3	Significant spills	p.54	V
	306-4	Transport of hazardous waste	p.54	V
	306-5	Water bodies affected by water discharges and/or runoff	p.54	V
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	p.56	V

SOCIAL (GRI 400)

Classification	Index	Description	Page	Assured
Employment	401-1	New employee hires and employee turnover	p.55	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p.36	
	401-3	Parental leave	p.36,55	
Occupational Health and Safety	403-1	Occupational health and safety management system	p.28	V
	403-2	Hazard identification, risk assessment, and incident investigation	p.28-29	V
	403-3	Occupational health services	p.28-29	V
	403-4	Worker participation, consultation, and communication on occupational health and safety	p.28-29	V
	403-5	Worker training on occupational health and safety	p.28-29	V
	403-6	Promotion of worker health	p.36-37	V
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.28-29	V
	403-8	Workers covered by an occupational health and safety management system	p.28	V
	403-9	Work-related injuries	p.28	V
	403-10	Work-related ill health	p.29	V
Training and Education	404-1	Average hours of training per year per employee	p.55	V
	404-2	Programs for upgrading employee skills and transition assistance programs	p.35	V
	404-3	Percentage of employees receiving regular performance and career development reviews	p.56	V
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	p.42	
	405-2	Ratio of basic salary and remuneration of women to men	p.56	
Human Rights Assessment	412-2	Employee training on human rights policies or procedures	p.38	V
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	p.56	V
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	p.23	
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p.57	V

SASB INDEX

HEALTH CARE - MEDICAL EQUIPMENT & SUPPLIES

Seegene provides stakeholders including investors with useful information for decision-making by reporting its sustainability activities and performances in accordance with the voluntary industry-specific standards (medical equipment & supplies in health care sector) for sustainability developed by SASB (Sustainability Accounting Standards Board).

Topic	Code	Category	Accounting Metric	Seegene's Response
Affordability & Pricing	HC-MS-240a.1	Quantitative	Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index	-
	HC-MS-240a.2	Qualitative	Description of how price information for each product is disclosed to customers or to their agents	-
Product Safety	HC-MS-250a.1	Quantitative	Number of recalls issued	None
			Total units recalled	None
	HC-MS-250a.2	Qualitative	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	As an in vitro diagnostic medical device, there are no factors that may directly harm people.
	HC-MS-250a.3	Quantitative	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	-
	HC-MS-250a.4	Quantitative	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type2	-
Ethical Marketing	HC-MS-270a.1	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	-
	HC-MS-270a.2	Qualitative	Description of code of ethics governing promotion of off-label use of products	-
Product Design & Lifecycle Management	HC-MS-410a.1	Qualitative	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	-
	HC-MS-410a.2	Quantitative	Total amount of products accepted for takeback and reused, recycled, or donated, broken down (by devices and equipment)	-
Total amount of products accepted for takeback and reused, recycled, or donated, broken down (by supplies)			-	
Supply Chain Management	HC-MS-430a.1	Quantitative	Percentage of entity's facilities participating in third-party audit programs for manufacturing and product quality	All business sites, including warehouses, are audited on conformity by ISO 13485 and MDSAP certification bodies every year.
			Percentage of Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality	60% of external warehouse suppliers are certified by the KGSP.
	HC-MS-430a.2	Qualitative	Description of efforts to maintain traceability within the distribution chain	We manage Lot and SN traceability with WMS scanning for accurate tracking information when products are shipped. Cargo shipment information is updated through a computerized portal for easy access when shipping overseas.
	HC-MS-430a.3	Qualitative	Description of the management of risks associated with the use of critical materials	-
Business Ethics	HC-MS-510a.1	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	-
	HC-MS-510a.2	Qualitative	Description of code of ethics governing interactions with health care professionals	Currently, there are no separate regulations for communication with medical experts, except for the review by the Compliance Support Group whether each case violates the fair trade rule. We plan to establish new guidelines and regulations related to health care workers or public officials going forward.

KEY PERFORMANCE INDICATORS

ECONOMIC PERFORMANCE

Major category	Subcategory	Indicator	Unit	2020	2019	2018
Organization	Number of employees		Persons	624	314	322
	Number of sites		Places	9	8	6
	Sales		KRW 1,000	1,125,215,548	121,953,287	102,264,773
	Shareholders' equity		KRW 1,000	646,405,928	152,825,653	128,356,437
	Liabilities		KRW 1,000	448,168,696	42,889,888	35,449,567
	Number of products and services		Units	1,333,619	142,819	115,138
Creation and distribution of direct economic value	Direct economic value	Profit	KRW 1,000	1,125,215,548	121,953,287	102,264,773
	Economic value distribution	Operating expenses	KRW 1,000	423,078,044	89,883,172	81,363,059
		Wage and welfare benefits	KRW 1,000	79,154,713	21,796,138	20,068,565
		Dividend	KRW 1,000	38,987,961	2,599,197	-
		Payment to the government	KRW 1,000	165,991,675	994,753	586,716
		Investment in local communities	KRW 1,000	4,005,000	-	-
Financial assistance received from government	Monetary value of financial support	Total financial assistance	KRW 1,000	12,592,699	4,065,577	1,983,350
	Government-owned shares	Government share ownership	%	-	-	-

ENVIRONMENTAL PERFORMANCE

Major category	Subcategory	Indicator	Unit	2020	2019	2018
Energy consumption	Energy consumption	Electricity	TJ	33.2	19.8	19.9
		Total energy consumption within the organization (electricity)	TJ	33.2	19.8	19.9
	Energy consumption expense	Annual energy expense (electricity)	KRW 1,000	432,818	257,329	258,857
Water consumption	Total water consumption		Ton	5,732	-	-
Medical waste	Waste generated	Taewon Bldg.	kg	32,446	13,215	12,818
		Hanam Center 1	kg	43,906	-	-
		Hanam Center 2	kg	-	-	-
		Songpa Bldg.	kg	-	-	-
		Total	kg	76,352	13,215	12,818
	Waste discharge	Taewon Bldg.	kg	32,446	13,215	12,818
		Hanam Center 1	kg	43,906	-	-
		Hanam Center 2	kg	-	-	-
		Songpa Bldg.	kg	-	-	-
		Total	kg	76,352	13,215	12,818

* Seegene's environmental performance data was calculated based on domestic business sites.

SOCIAL PERFORMANCE

Major category	Subcategory	Indicator	Unit	2020	2019	2018	
Employees	Total		Persons	624	314	322	
	Gender	Male	Persons	365	190	-	
		Female	Persons	259	124	-	
	Workplace	Domestic	Persons	580	289	-	
		Overseas	Persons	-	-	-	
	Employment type	Regular	Total	Persons	580	289	-
Male			Persons	325	166	-	
Female			Persons	255	123	-	
Contract		Total	Persons	44	25	-	
		Male	Persons	40	24	-	
		Female	Persons	4	1	-	
Number of employees who new hired	Total		Persons	338	39	37	
	Age	Under 35	Persons	235	23	25	
		35 and over	Persons	103	16	12	
	Position	Executive/department head	Persons	44	4	1	
		Senior manager/manager	Persons	56	11	6	
		Assistant manager/staff	Persons	238	24	30	
			Persons	4	2	4	
	Educational background	Doctoral level	Persons	21	2	4	
		Master's level	Persons	105	12	16	
		Bachelor's level or lower	Persons	212	25	17	
	Average year of service				3 years and 4 months	-	-
	Number of employees who used parental leave	Total		Persons	27	-	-
Gender		Male	Persons	6	-	-	
		Female	Persons	21	-	-	
Average training hours per employee	Gender	Male	Hours	19	26	20	
		Female	Hours	20	24	22	
	Position	Executive/department head	Hours	22	22	14	
		Team leader	Hours	19	33	13	
		Senior manager	Hours	15	13	6	
		Manager	Hours	15	21	15	
		Assistant manager	Hours	17	23	29	
		Junior manager	Hours	24	31	25	
		Staff	Hours	28	32	38	

Major category	Subcategory	Indicator	Unit	2020	2019	2018
Average training expense per employee	Total		KRW	138,135	109,884	193,898
	Gender	Male	KRW	149,684	105,898	174,382
		Female	KRW	121,860	115,991	219,592
	Position	Executive/department head	KRW	301,015	203,359	187,017
		Team leader	KRW	279,054	239,830	201,516
		Senior manager	KRW	171,408	34,409	121,419
		Manager	KRW	105,964	63,082	179,034
		Assistant manager	KRW	114,727	76,770	250,031
		Junior manager	KRW	78,275	47,996	169,051
		Staff	KRW	89,674	60,387	193,010
Employees who completed performance and career development evaluations	Total		Persons	624	314	322
	Gender	Male	Persons	365	190	-
		Female	Persons	259	124	-
Employees who completed performance and career development evaluations (percentage)	Total		%	100	100	100
	Gender	Male	%	100	100	100
		Female	%	100	100	100
	Position	Executive/department head	%	100	100	100
		Team leader	%	100	100	100
		Senior manager	%	100	100	100
		Manager	%	100	100	100
		Assistant manager	%	100	100	100
		Junior manager	%	100	100	100
	Staff	%	100	100	100	
Female-to-male basic salary ratio		%	68.28	-	-	
Human rights risk management	Human rights policy and procedure	Training completion rate	%	100	100	100
Social contribution program	Quantitative evaluation result on social contribution program operation	Input resources	KRW 1,000	4,000,000	-	-
Suppliers who passed environmental & social examination criteria	New suppliers	Number of new suppliers	Firms	121	15	60
	Number of total suppliers	Number of all suppliers	Firms	202	85	101
Procurement cost to local suppliers at major sites	From local suppliers		KRW 1,000	179,978,415	15,194,230	19,709,987
	From all suppliers		KRW 1,000	339,263,218	31,900,960	36,796,174
	Procurement cost ratio from local suppliers		%	53	48	54

Major category	Subcategory	Indicator	Unit	2020	2019	2018
Violation of customer privacy and leakage of customer information	Number of customer complaints received	Number of complaints that prove violations of customer privacy (external stakeholders)	Cases	0	0	0
		Number of complaints that prove violations of customer privacy (regulatory body)	Cases	0	0	0
	Customer data	Number of customer data leakage	Cases	0	0	0
		Number of customer data thefts	Cases	0	0	0
		Number of lost customer data	Cases	0	0	0

GOVERNANCE PERFORMANCE

Major category	Subcategory	Indicator	Unit	2020	2019	2018	
Board of Directors	Number of BOD members		Persons	6	6	6	
	Number of non-executive directors		Persons	2	2	2	
	Ratio of non-executive directors		%	33	33	33	
BOD Diversity	Female directors		Persons	0	0	0	
	Ratio of female directors		%	0	0	0	
BOD Efficiency	Number of non-executive directors who hold 4 or less positions simultaneously		Persons	2	2	2	
	Number of non-executive directors with low attendance (75% or less)		Persons	0	0	0	
	Average tenure of BOD members		Years	6.5	5.5	4.5	
Subcommittees	BOD meetings convened		Times	8	4	4	
	Advance notice before BOD meeting		Days	15	15	15	
BOD Remuneration	Remuneration policy	Fixed salary	KRW 100 million	4.28	-	-	
		Variable salary (including performance-based, stock price-based, bonus, deferred shares)	KRW 100 million	3.14	-	-	
	Compensation rate	Annual compensation to the highest-paid		KRW 100 million	15.31	-	-
		Median value of annual compensation for all employees		KRW 100 million	1.17	-	-
		Annual compensation rate to the highest-paid		%	1,312.01	-	-
		Increase rate of annual compensation to the highest-paid (YoY)		%	207.62	-	-
		Increase rate of median value of annual compensation for all employees (YoY)		%	89.31	-	-
Annual compensation increase rate of the highest-paid		%	232.48	-	-		

ALIGNING WITH UN SDGs

Major category	Subcategory	Indicator	Unit	2020	2019	2018
Internal transaction		Ownership of registered executives	%	22.19	24.54	24.59
		Ownership of the largest shareholder and related parties	%	31.59	32.52	32.78
	BOD regulation	Advance notice on place and agendas before holding general shareholders' meeting	Days	15	15	15
		Total investment in affiliates	KRW 1,000	46,548,000	21,358,000	15,361,000
	Stakeholder communication	IR conference held	Times	1	5	6
		Voluntary disclosure	Cases	0	0	0
		Inquiry disclosure	Cases	0	0	0
	Tax payment	Number of employees	Persons	624	314	322
		Sales through third parties	KRW 1,000	561,339,509	70,738,546	65,610,035
		Sales through internal transaction	KRW 1,000	517,059,113	23,407,980	17,411,787
Income before taxes		KRW 1,000	685,240,027	25,994,550	5,008,386	
Tangible assets		KRW 1,000	174,041,915	14,686,340	9,204,804	
Corporate tax (cash basis perspective)		KRW 1,000	181,377,280	611,928	259,235	
Corporate tax (profit/loss perspective)		KRW 1,000	165,712,871	193,196	334,514	
Anti-corruption policy and procedure announcement		Board of Directors	BOD members notified of anti-corruption policy and procedure	Persons	6	6
	Ratio of BOD members notified of anti-corruption policy and procedure		%	100	100	100
	Executives and employees	Executives and employees notified of anti-corruption policy and procedure	Persons	624	314	322
		Ratio of executives and employees notified of anti-corruption policy and procedure	%	100	100	100
		Ratio of supplier employees notified of anti-corruption policy and procedure	%	100	100	100
		Ratio of executives and employees notified of anti-corruption policy and procedure	%	100	100	100
Training on anti-corruption policy and procedure	Board of Directors	BOD members trained on anti-corruption policy and procedure	Persons	6	6	6
		Ratio of BOD members trained on anti-corruption policy and procedure	%	100	100	100
	Executives and employees	Executives and employees trained on anti-corruption policy and procedure	Persons	624	314	322
		Ratio of executives and employees trained on anti-corruption policy and procedure	%	100	100	100
	Legal process and result	Corruption and bribery related fines	KRW	0	0	0
		Corruption and bribery related settlement	KRW	0	0	0
Measures against unfair trade practices	Legal process and result	Legal action for unfair conduct - in progress	Cases	0	0	0
		Legal action for unfair conduct - completed	Cases	0	0	0

Goal 3



p.21,32

- Development of GBS typing for neonatal sepsis and cerebromeningitis
- Development and donation of COVID-19 diagnostic reagents

Goal 4



p.33

- Scholarship support for nurturing professional talent in health and medical fields

Goal 8



p.31,36

- Advance payments to excellent small- and medium-sized business partners
- Contribution to creating jobs for youth under the age of 34

Goal 9



p.21

- Research on the development of new products and fully-automated system for molecular diagnostics

Goal 10



p.38-39

- Establishment and application of policies for human rights management
- Creation of a culture for talent recruitment without discrimination and respect for human rights

Goal 11



p.27

- Waste treatment by commissioning professional waste handling firms
- Disposal of medical waste in accordance with laws

Goal 16



p.45

- Establishment of business ethics policy and code of conduct for employees
- Implementation of business ethics programs such as education on fair trade-related laws

Goal 17



p.20

- Enhancement of R&D partnership

INDEPENDENT ASSURANCE STATEMENT

To readers of 2020/2021 Seegene SUSTAINABILITY REPORT

Introduction

Korea Management Registrar (KMR) was commissioned by Seegene to conduct an independent assurance of its Sustainability Report 2021 (the "Report"). The preparation of the Report is the sole responsibility of the management of Seegene. KMR's responsibility is to issue an assurance statement over the limited scope of data and information specified below.

Scope and Standards

Seegene described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the assurance standard SRV100 of KMR's Global Management Committee to provide a limited assurance. We evaluated the adherence to the principles of materiality and understandability and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index specified below.

Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the disclosures below for the confirmation. We also confirmed that the report was prepared in accordance with SASB.

- GRI Standards Reporting Principles
- Universal Standards
- Topic Specific Standards
 - Management approach of Topic Specific Standards
 - GRI 305: Emissions
 - GRI 306: Effluents and Waste
 - GRI 308: Supplier Environmental Assessment
 - GRI 403: Occupational Health and Safety
 - GRI 404: Training and Education
 - GRI 412: Human Rights Assessment
 - GRI 414: Supplier Social Assessment
 - GRI 418: Customer Privacy
 - SASB Sustainability Disclosure Topics & Accounting Metrics

As for the reporting boundary, the engagement excludes the data and information of Seegene's partners, suppliers and any third parties.

KMR's approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the assurance engagement:

- Reviewing the overall Report;
- Reviewing the procedure and methods of materiality assessment;
- Reviewing the strategies and objectives of sustainable management;
- Reviewing the activities engaging stakeholders; and
- Interviewing people in charge of preparing the Report.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with Seegene on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, nothing has come to our attention to suggest that the Report was not prepared in accordance with the principles described below. We did not find any evidence that the data included in the scope defined above is not properly described.

• Materiality

The reporting boundaries of the Seegene's Report include all of its operating sites. The Report provides detailed long-term sustainability strategies and targets. Seegene relies on its own materiality assessment process to decide the materiality of issues identified by stakeholder communication channels. We could not find any material issue or stakeholder group that was not covered in the process.

• Understandability

The Report was prepared in the context of sustainability to provide targets for sustainability issues identified by the materiality assessment and the background of the selection and the management approach. It is our opinion that the metrics are specific and easy to compare.

• Reliability

The Assurance Team identified errors in the data and information provided, which Seegene subsequently corrected before issuing the final version of the Report. We believe the data and information included in the Report are accurate and reliable. Nothing has come to our attention to imply that the Report does not provide a fair representation of Seegene's responses to material stakeholder issues.

We did not find any evidence to suggest that the Report was not prepared in accordance with the Core Options of the GRI standards.

Recommendations

We expect that the Seegene' Report can be utilized as a means of communications with stakeholders. The following recommendations are provided for further improvements:

- In its first sustainability report, Seegene adequately presented KPIs by area such as technological innovation, responsible management, and trust in human values. It also illustrated its products, innovative technologies, and new product development in a way to ensure the understanding of readers and, in turn, transparent communication with stakeholders. We recommend that the company report quantitative data on key performances in the context of sustainability and provide recent three-year data for comparability.

Independence

KMR has no other contract with Seegene and did not provide any services to Seegene that could compromise the independence of our work.

February 28, 2022

CEO



E. J. Hawang

ASSOCIATION MEMBERSHIP AND AWARDS

ASSOCIATION MEMBERSHIP

Association & Institution	
KITA (Korea International Trade Association)	KoreaBIO (Korea Biotechnology Industry Organization)
KRX (Korea Exchange)	KSEA (Korean-American Scientists and Engineers Association)
KOSDAQ Listed Companies Association	KASBP (Korean American Society in Biotech and Pharmaceuticals)
Seoul Intellectual Property Center	KOLIS (Korean Life Scientists in the Bay Area)
Korea Medical Devices Industry Association	NYKB (New York Korean Biologists)
KOTRA (Korea Trade-Investment Promotion Agency)	NEBS (New England Bioscience Society)
SBA (Seoul Business Agency)	KSEAUK (Korean Scientists and Engineers Association in the UK)
Korea Technology Finance Corporation	VeKNI (Verein Koreanischer Naturwissenschaftler und Ingenieure in der BRD)
Seoul Chamber of Commerce and Industry	KSMCB (Korean Society for Molecular and Cellular Biology)

AWARDS (2020~2021)

No.	Award	Granted by	Date
1	Youth-friendly Hidden Champion	Ministry of Employment and Labor	2020.01.01
2	2020 LMCE Plaque of Appreciation	Korean Society for Laboratory Medicine	2020.09.23
3	Korea Job Achievement Award	The Presidential Committee on Jobs	2020.12.23
4	2021 Youth-friendly Hidden Champion	Ministry of Employment and Labor	2021.01.01
5	2021 LMCE Plaque of Appreciation	Korean Society for Laboratory Medicine	2021.09.23
6	2021 Innovative Medical Device Maker Award – Minister Prize	Ministry of Health and Welfare	2021.11.23
7	2021 SW Quality Innovation Award – Minister Prize	Ministry of Science and ICT	2021.11.30
8	USD 1 Billion Export Tower at the 58th Trade Day	Ministry of Trade, Industry and Energy	2021.12.06
9	Brand Top at the 58th Trade Day – “Allplex”	Ministry of Trade, Industry and Energy	2021.12.06
10	Excellent Institution for Supporting the Overseas Expansion of Medical Business in 2021	Korea Health Industry Development Institute	2021.12.10
11	Venture Company Achieving KRW 100 billion in Sales	Ministry of SMEs and Startups	2021.12.20



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