

# ORION

## 2023



# Aiming to Become a Global Food & Healthcare Company!

Since Orion was founded in 1956, it has led the Korean confectionery industry by launching numerous hit products for 67 years under the founding spirit of its motto “When making food for people, it must come from the heart.”

The year 2023 will be the year in which Orion lays the groundwork for mid-to-long-term growth momentum of three new businesses — CMR, beverages, and bio — as a stepping-stone toward becoming a global food and healthcare company by strengthening product competitiveness and expanding consumer values.

Now we will accelerate the development of the global market and create a strong foundation for becoming a global general food company, based on an honest and time-honored philosophy. Furthermore, Orion will continue its ethical management-based ESG activities, which is the core management policy of the Group.



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# Message to the Customers

## Dear Customers and Shareholders

Despite the most severe business uncertainties in 2022, Orion achieved record-high performance by releasing highly competitive products accompanied by aggressive market expansion. The Company delivered a 22% revenue growth with USD 2,223.9 million, and operating profits grew by 25.1% with USD 361.2 million, on the consolidated basis. Sales have increased across all the subsidiaries, showing tremendous external growth. The Korean subsidiary delivered 16.3% sales growth — while Orion China showed a 15% increase in sales, Vietnam 38.5%, and Russia 79.4%. Operating profits of the Company have also continued to grow, thanks to efficient and profit-oriented management. Orion recorded a growth rate of 7.1% in South Korea, 26.1% in China, 40.3% in Vietnam, and 106.9% in Russia, respectively.

The challenges that we faced in 2022 are expected to continue this year. Cost pressure caused by inflation on raw material prices and energy costs continue to rise, and big and small conflicts among countries are aggravating the instability of the world economy. Amid such uncertain circumstances in the global economy, Orion plans to strengthen sales activities befitting market conditions based on differentiated product competitiveness, and to ensure efficient investment management and competitiveness in future new businesses in 2023. In particular, in line with the continued sales growth, each subsidiary is planning large-scale CapEx investments this year. We plan to increase the production capacity of subsidiaries in Vietnam and Russia, which continue to grow rapidly. In the Indian market, which has high potential, we will also actively expand capacity following line expansion to establish a foundation for growth.

Korean subsidiary plans to maximize consumer value with cost-effective products and implement more aggressive sales strategies in order to maintain high growth momentum. By rebranding health-oriented Dr. You products, Orion will lead the future growth markets. At the same time, Orion will focus on its efforts to expand market share of CMR Market O!Nature's O!Granola products.

Orion China plans to carry out a growth strategy centered on product and sales capabilities focusing on increasing market share in the snack and jelly markets, as economic condition is expected to moderate following the end of the COVID-19 pandemic. Furthermore, we will make every effort to further enhance our sales competitiveness through the indirect sales system, continuing from the previous year.

Orion Vietnam plans to lay the foundation for sustainable high growth by expanding and extending factories in Ho Chi Minh City and Hanoi to preemptively respond to rapidly increasing local demand, as well as constructing a third factory. Orion will increase its product lineup with a clear competitive advantage to overwhelm competitors, while solidifying its position as the No.1 food company in the local market by actively entering new markets, other than confectionery.

Orion Russia plans to add additional Choco Pie line and new jelly line at the new factory in Tver to increase market supply, while increasing the number of dealers and distribution partners in line with the production increase to sustain the high-growth trend.

The bio business, one of the group's future growth engines, plans to focus on clinical trials to develop and commercialize in-vitro diagnostic kits for colorectal cancer, tuberculosis vaccines, and treatments of dental diseases. In particular, for dental disease treatments that can be commercialized earlier, we are developing toothpaste products and preparing for clinical trials aiming at entering the consumer goods market first. We also plan to continuously look into investment opportunities that can enhance the competitiveness of the bio business.

The primary purpose of our business is to increase product value provided to consumers, grow together with partners, upgrade quality of life for employees, and contribute to making society happier and healthier. To this end, Orion is committed to upgrade and deepen its ethical management level, which it has sustained for the past eight years.

# Management Policy

Orion's number one reason for existing is to 'supply its customers with delicious and high-quality products at the most reasonable prices possible' to enhance consumer value based on differentiated quality and competitive prices.

We are committed to winning the trust of our customers, partners and shareholders by adhering to the principles and standards of ethical management at all times and to sustaining growth.



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## Accelerating Growth through Efficient Investment Management

- Establishing efficient investment plans and expanding production facilities
- Continuing to identify and nurture excellent partners
- Improving transparency in selecting partners and suppliers



3

## Using New and Promising Businesses as Mid-to-Long-term Growth Engines

- Ensuring rapid growth of health-oriented products by rebranding Dr. You products
- Expanding market share of Granola products
- Establishing business foundation for three major bio businesses, namely diagnostic kits, tuberculosis vaccines, and dental treatment products



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## Building a foundation for an efficient integrated system for the Group

- Making administration standardization and simplification through business analysis
- Implementing effective internal control and efficient administration
- Making efficient support for management information by class/duty

# Corporate History

Marking its 67<sup>th</sup> anniversary, Orion has transformed into a global food and healthcare company beyond just the confectionery industry, and it is expanding its business areas in 2023 to advance yet further in the global market.

## 1956~1973

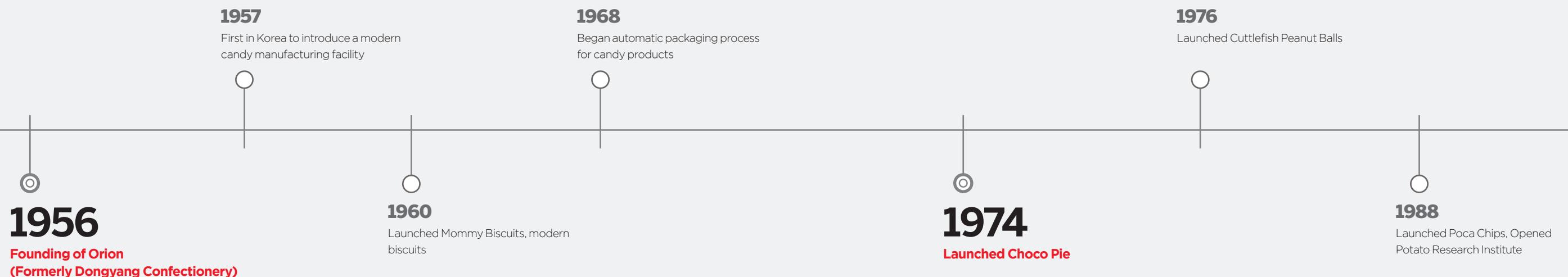
### A National Confectionery Business Takes Root

- 1956 Founding of Orion (Formerly Dongyang Confectionery)
- 1957 First in Korea to introduce a modern candy manufacturing facility  
Released King Drops
- 1958 Rolled out automatic molding machines for soft biscuits
- 1960 Launched Mommy Biscuits, modern biscuits
- 1962 Launched Fruits Drops with natural fruit flavors, Chewnut Candy, a chewing soft candy, Happy Biscuits, and Orion Crackers
- 1968 Began automatic packaging process for candy products  
Dominated the domestic market after producing flat chocolates (e.g. No.1 Chocolate, Nimege Chocolate)

## 1974~1992

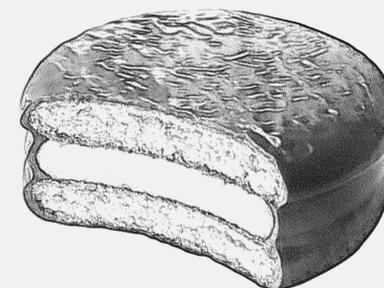
### Advent of Korea's national snacks including Choco Pie & Poca Chips

- 1974 Launched Choco Pie the all-time hit product in company history
- 1975 IPO - 1,660,000 shares issued
- 1976 Launched Cuttlefish Peanut Balls  
Started exporting gums.
- 1977 First in Korea to begin automatic packaging of biscuits
- 1983 Launched Diget
- 1988 Launched Poca Chips, Opened Potato Research Institute
- 1989 Launched commercial series of Choco Pie brand  
Launched Flavono the first functional gum to alleviate bad breath



#### Orion: Differentiated from the Beginning

Orion was founded in 1956 when the company's founder and chairman, Mr. Lee Yang-gu, acquired Pungkook Confectionery. Since then, the company has led the country's confectionery market with such popular products as caramels and candies. It also pioneered many of South Korea's manufacturing facilities for confectioneries, and developed a wide range of new, exciting, and innovative products.



#### Choco Pie

In 1974, Orion developed and introduced 'Choco Pie' to the market independently and started to rewrite its history in the confectionery industry with its unique product. Sales of Choco Pie have grown by more than 100% each year since its first release and played a major role in establishing the foundation for the development of Orion today.

In 2022, Choco Pie recorded sales of more than 3.8 billion units around the world, reaching an all-time high of USD 448.9 million in global annual sales and exceeding USD 5,186.0 million in cumulative global sales, solidifying its position as a representative Korean snack brand.

## 1993~2015

### Full-scale expansion into the global market

- 1993 Opened the Beijing office in China; Choco Pie begins exports to Russia.
- 1995 **Established the China-based corporation**  
Won the Export Tower Award worth USD 10 million.
- 1997 Constructed the first factory in Langfang, China
- 2001 **Launched the Orion Group**
- 2002 Constructed a factory in Shanghai, China
- 2003 Changed the company name to Orion Corporation  
Established the Russian corporation
- 2005 Established the Vietnamese corporation
- 2006 Constructed the second factory in Langfang, China  
Constructed a factory in My Phuoc, Vietnam  
Constructed a factory in Tver, Russia
- 2008 **Launched new brands, 'Dr. You' and 'Market O'**  
Constructed a factory in Novo, Russia
- 2009 Constructed a factory in Yen Phong, Vietnam  
Became the first confectionery company with all its factories HACCP-certified
- 2010 Constructed a factory in Guangzhou, China
- 2013 **Exceeded KRW one trillion (USD 913.2 million) mark in annual sales in China**
- 2014 Became the first confectionery company to introduce eco-friendly packaging  
Constructed a factory in Xianyang, China.
- 2015 **Declared our commitment to ethical management practices**  
Exceeded KRW one trillion (USD 883.8 million) mark in cumulated sales in Vietnam

## 2016~2022

### Forging ahead as a global provider of comprehensive food & healthcare products

- 2016 **Co-founded Orion-Nonghyup corporation**  
Exceeded KRW 200 billion (USD 172.3 million) mark in annual sales in Vietnam
- 2017 Launched 'Kkobuk Chips', made of chips with four crisp layers
- 2018 Orion-Nonghyup constructed the Miryang factory  
**Launched Market O NATURE, a brand for Convenient Meal Replacement**  
Obtained a 'Green Certificate' from the Ministry of Environment for the first time in the confectionery industry  
Established the India-based corporation.
- 2019 Constructed an Orion Jeju Yongamsoo factory  
**Launched 'Dr. You Jeju Yongamsoo'**  
Rolled out a flexo printing machine for eco-friendly packaging materials
- 2020 Signed a joint venture contract in the biotech sector with 'Shandong Lukang Medicine,' a state-owned pharmaceutical company in China  
Launched 'Dr. You Protein Bar'
- 2021 **Constructed a factory in Rajasthan, India**  
Choco Pie surpasses the KRW 500 billion (USD 436.9 million) mark in annual global sales  
The Vietnam and Russia-based corporations exceeded KRW 300 billion (USD 262.1 million) & KRW 100 billion (USD 87.4 million) mark in annual sales, respectively, for the first time  
Constructed a production facility for in-vitro cancer diagnosis products in China  
Set up the Integrated Control System for Reduction of Global Carbon Emissions.
- 2022 **Constructed a new factory in Tver, Russia, and Russian-based corporation exceeded KRW 200 billion (USD 154.8 million) marks in annual sales**  
Launched Dr.You Jeju Yongamsoo without use of labels & Dr.You Immune Water  
Set up an ESG Committee  
Obtained certificates (ISO14001) for environmental management systems.

### 2001

Launched the Orion Group

### 2013

Exceeded KRW one trillion (USD 913.2 million) mark in annual sales in China

### 2018

Launched Market O NATURE, a brand for Convenient Meal Replacement

### 2021

Constructed a factory in Rajasthan, India

### 1995

Established the China-based corporation

### 2008

Launched new brands, 'Dr. You' and 'Market O'

### 2015

Declared our commitment to ethical management practices

### 2016

Co-founded Orion-Nonghyup corporation

### 2019

Launched 'Dr. You Jeju Yongamsoo'

### 2022

Constructed a new factory in Tver, Russia



#### Advancing into China

Orion's first advance into China was made by establishing an office in Beijing in 1993. Two years later, the company established ORION Food (OFC), its Chinese subsidiary. This led to Orion's winning of a USD 10 Million Export Tower award in 1995, with the value of its exports in 1996 exceeding USD 26.5 million. The company established a production facility in Langfang in 1997, and expanded its supply chain to include the cities of Shanghai, Tianjin, and Dalian

#### Advancing as a Global Food and Healthcare Company

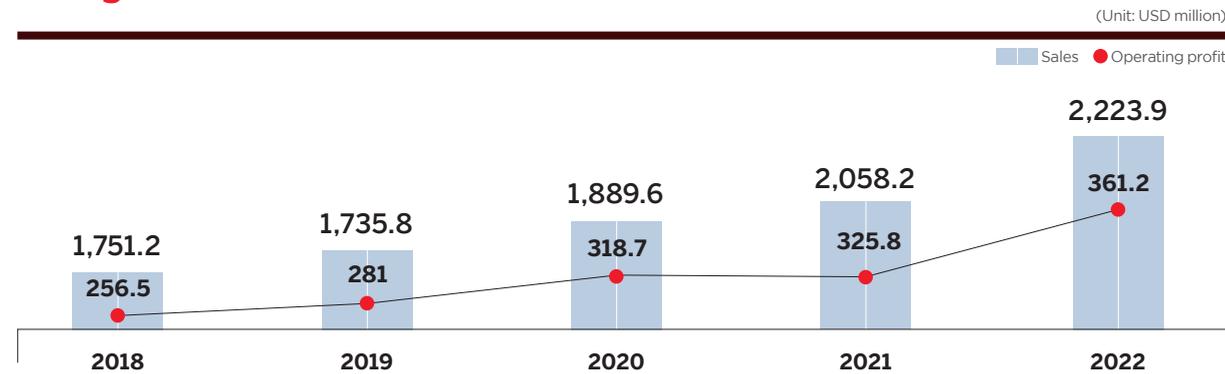
Orion, declaring its intention to become a 'a global general food company' in 2017, has started various new businesses such as 'Premium mineral water,' 'Convenient Meal Replacement (CMR),' and 'Bio' — and it is transforming into a global food and healthcare company beyond the boundaries of the confectionery business. Orion will continue to grow by competing with world-class food competitors based on over 60 years of manufacturing know-hows and a solid global network of overseas subsidiaries in China, Vietnam, Russia, India, etc.



# Business Overview

Orion advanced into China in the 1990s, at a time when most South Korean companies were focused on the domestic market. Since then it has become a global player, making successful entries into Vietnam and Russia as well. Orion has built a total of eleven (11) manufacturing facilities in China, Russia, Vietnam and India, respectively, and has continuously grown while gaining popularity among global consumers through its thorough localization strategy.

## Changes in Sales Over the Past Five Years



\* Based on consolidated financial statements of Orion Corporation

## 2022 Highlights

### 1. Orion to achieve record high performance on a consolidated basis

Orion achieved record high performance in 2022, recording USD 2,223.9 million in sales, and USD 361.2 million in operating profit on a consolidated basis, even in a situation where the uncertain business environments such as rising raw material prices and energy costs continued. Sales increased by 22.0% across all the subsidiaries, recording more than double-digit growth boosted by competitive new product release and aggressive market expansion. In particular, the Vietnamese and Russian subsidiaries continued to grow by 38.5% and 79.4%, respectively, through aggressive sales activities while increasing timely product supply through production line expansion and new factory operation in line with the soaring local demand. Management focused on efficiency and profitability, thereby increasing the operating profit by 25.1% and leading to an operating margin of 16.2%.

### 2. New and promising brands such as 'Dr. You' and 'Market O NATURE' to record high growth rates

'Dr. You' has solidified its brand identity with 'delicious health' and recorded more than USD 61.9 million in annual sales for the first time since the establishment of a diverse product lineup including 'Dr. You Jeju Yongamsoo,' 'Dr. You Protein Bar,' and 'Dr. You Drinks.' The beverage business continued its high growth by launching the eco-friendly 'Dr. You Jeju Yongamsoo without label' and a health functional food 'Dr. You Immune Water' that contains zinc, a functional ingredient approved by the Ministry of Food and Drug Safety to enhance normal immune function.

Sales of 'Market O NATURE' has tripled in four years after its launch in 2018 thanks to the differentiated products made of carefully selected raw materials. From products emphasizing natural ingredients such as 'fruit' and 'black beans,' to health concept products such as 'protein,' 'pop series with popular taste and light texture,' 'Goraebab,' and 'Diget,' products made through collaboration with the Orion's popular snacks are popular among consumers.

### 3. Orion Russia to construct new factory in Tver and exceed USD 154.8 million (KRW 200 billion) in annual sales

In 2022, Orion Russia increased sales and operating profits to USD 162.4 million, up 79.4%, and USD 26.9 million, up 106.9%. With the operation of the new factory in Tver in the second half 2022, the subsidiary could ensure stable product supply and secure more than 100,000 distribution partners, expanding the sales network, which enabled it to exceed USD 154.8 million (KRW 200 billion) in sales for the first time since its establishment in 2003. These achievements are attributable to the enhanced competencies across the board such as differentiated products including new-product development and biscuit-lineup expansion tailored to local tastes, production capacity secured in a timely manner, and sales power secured through detailed market analysis by region.

In 2023, Orion plans to continue its growth by focusing on strengthening of sales by securing dealers and distribution partners while increasing production lines based on differentiated products.

### 4. Orion to strengthen ESG activities at the group level

Since 2015, Orion has been conducting various activities at the group level by setting 'ethical management' as the core of its management policy. In 2022, Orion introduced the 'Integrated control system for reduction of global carbon emissions' for the first time in the domestic food industry to set carbon emission targets, integrate and manage data, and save energy. We also obtained 'ISO 14001' certification, an environmental management system certification.

We established the new 'Agency Win-Win Partnership Team,' composed of working-level employees from three departments including sales, CSR, and legal departments, while strengthening win-win cooperation with partners and agencies by operating the 'Win-Win Partnership Fund' and providing support for the underprivileged in the local community to fulfill our social responsibilities. In March 2022, the 'ESG Committee' was established under the board of directors of Orion Holdings and Orion Corporation, respectively, to review major performances and plans for the environment, society, and governance.

## Financial Highlights

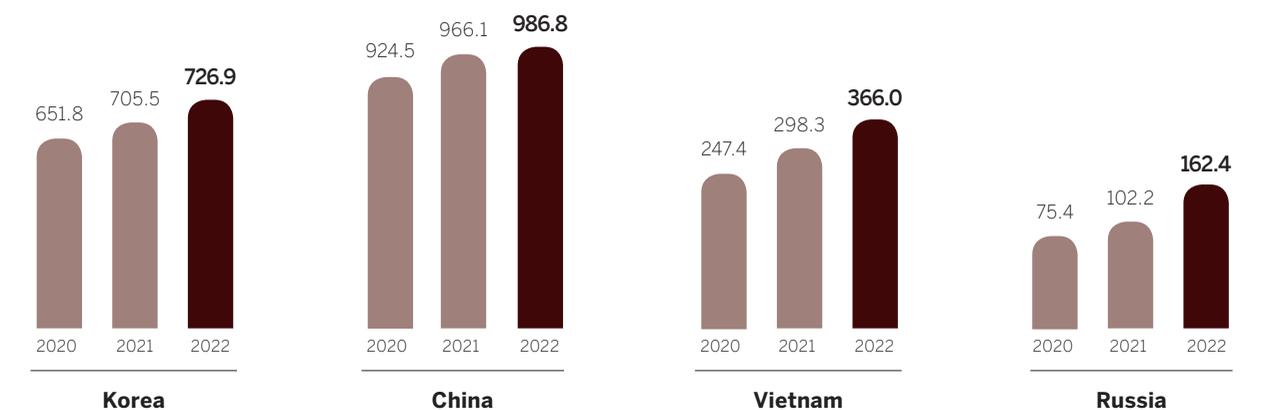
(Unit: USD million)

	2020	2021	2022
<b>Income Statement</b>			
Sales	1,889.6	2,058.2	2,223.9
Gross Margin	807.7	827.0	844.6
<b>Operating Income</b>	<b>318.7</b>	<b>325.8</b>	<b>361.2</b>
Other net income	14.6	-1.7	-2.9
Net financial income	2.9	6.6	18.0
Gain on equity method valuation	0.5	0.4	0.5
Net Income before Income Tax Expenses	336.8	331.2	376.7
<b>Net Income</b>	<b>232.7</b>	<b>230.4</b>	<b>308.3</b>
<b>Financial Status</b>			
Total Assets	2,449.8	2,632.1	2,660.5
Current Assets	733.0	966.8	1,160.3
Non-current Assets	1,716.8	1,665.3	1,500.3
Total Liabilities	705.8	698.4	578.0
Capital Stock	18.2	16.7	15.6
Capital Surplus	1,276.4	1,363.0	1,307.0
Retained Earnings (Amount of loss)	449.4	554.2	759.9
Total Shareholders' Equity	1,744.0	1,933.9	2,082.5
<b>Key Financial Ratios (%)</b>			
Liquidity Ratio	230.8	219.6	264.4
Debt Ratio	40.5	36.1	27.8
ROA	10.7	8.4	11.8
ROE	15.5	11.5	15.1

\*Based on consolidated financial statement of Orion Corporation

## Sales by Country

(Unit: USD million)



# Ethical Management

## Group's Code of Ethics and Practical Guidelines

Orion has established a code of ethics and practical guidelines that reflect the goal of ethical management pursued by Orion and directions for each stakeholder of the Group. All the employees and management are implementing ethical management activities that are aligned with their duties based on these code of ethics and practical guidelines.

Code of Ethics of Orion Group	Basic Ethics for Employees
<p><b>Ethical management pursued by Orion Group is intended to contribute to the interests of all stakeholders based on earnings generated through the operation of compliance- and ethics-based businesses and to continue its growth.</b></p> <ul style="list-style-type: none"> <li>■ <b>We value the happiness and growth of our employees.</b> We put our employees first and create an environment where all employees can pursue happiness and development based on mutual trust and respect.</li> <li>■ <b>We pursue customer satisfaction.</b> We supply top-quality products made honestly and safely at reasonable prices, and pursue customer satisfaction by providing the value that our customer want.</li> <li>■ <b>We realize shared growth with our partners.</b> We respect our partners and pursue win-win cooperation based on fair and transparent business relationships for long-term and shared growth.</li> <li>■ <b>We increase value of shareholders.</b> We increase shareholder value by maximizing corporate value through transparent and efficient management activities and identifying new growth engines.</li> <li>■ <b>We fulfill our corporate social responsibilities.</b> We fulfill our corporate social responsibilities and contribute to social development through growth-oriented job creation and continuous social contribution activities.</li> </ul>	<p><b>1. Attitude of Orion employees</b> As employees of Orion, we fulfill our assigned roles and responsibilities with pride and dignity.</p> <p><b>2. Compliance with laws and code of ethics</b> We comply with all laws and internal regulations in conducting business and comply with the code of ethics and practical guidelines of the Company.</p> <p><b>3. Fairly conducting business</b> We conduct our business in an impartial and transparent manner in all possible ways, and always put the Company's interests first.</p> <p><b>4. Clear division between public and private interest</b> We value all the assets of the Company by clearly distinguishing public interest from the private interest, and apply them for business purposes.</p> <p><b>5. Protecting internal information</b> We use internal information acquired in the course of performing our duties only for the relevant work, and thoroughly protect and manage it so that it is not leaked to the outside.</p> <p><b>6. Making appropriate instructions/reports on business</b> We instruct and perform work correctly and fairly among our employees, and we report all work-related matters in a timely and accurate manner.</p> <p><b>7. Mutual respect and cooperation</b> We respect each other politely and enhance work-performance and efficiency, based on active cooperation.</p>

## Major Initiatives in the Area of Ethical Management

Orion Group declared that 'ethical management' must always be the core value of its management activities in 2015, and we have ever since then conducted our business activities based on this belief.

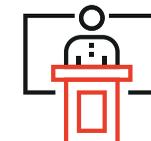
<p><b>Operating an ethically committed organization</b></p> <p>In order to build a more ethical organizational culture, change the ways in which we operate, and carry out our corporate social responsibilities, Orion created CSR organizations in all subsidiaries and has carried out activities which can contribute to the interests of both internal and external stakeholders.</p> <p><b>Establishing a global ethical management system</b></p> <p>All the subsidiaries of Orion are carrying out various activities to instill an ethical organizational culture by monitoring/supplementing an ethical management level of each subsidiary through the establishment/operation of global operation standards (measurement of 'ethics management index', etc.).</p>	<p><b>Dissemination and communication of ethical management</b></p> <p>As part of our efforts to spread ethical management and build consensus among employees, we are holding company-wide ethical management briefing sessions, ethical management education by rank, town hall meetings etc. with top management, and on-site ethical management communication meetings on a regular basis.</p> <p>All subsidiaries are identifying and disseminating ethical management practices. Each subsidiary/organization establishes and implements ethical management action plans related to their work, and selects best practices among them to grant the ethics awards and awards for ethical employees every year. Led by the ethics leaders who are selected as key talents for each team, we are strengthening our business-oriented ethical management implementation capabilities. Ethics leaders are planning and implementing ethical management activities based on the company's management policy and employee suggestions.</p>	<p><b>Operating an ethical management system</b></p> <p>The Company has operated a 'voluntary reporting system' such as a system reporting acceptance of money/gifts and transactions with acquaintances, etc. Orion also operates a CSR activity participation system that enables all employees and management to monitor their own participation in ethical management, and we are also responding proactively to vulnerabilities through integrated incident and accident management of all subsidiaries by establishing a reporting system. We are also implementing 'Preventive activities' to identify risk factors for each aspect of work, and avoid risks.</p>
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## Anti-corruption



### Anti-corruption principles

We have adopted 'Basic Ethics for Employees' and 'Compliance with Ethical Decision-Making' to present principles for anti-corruption. Acts of giving money/gifts, entertainment/hospitality, providing convenience, and conducting monetary transactions etc. with internal and external stakeholders is prohibited, regardless of the reasons. We provide guidelines for 'Impartial and transparent business performance' so that all employees can put the Company's interests first and prevent conflict of interest that may arise in the course of conducting business.



### Anti-corruption education performance

In 2022, a total of 2,035 employees completed anti-corruption training courses through training for new hires, leadership training, and company-wide training. The training for new hires was provided based on basic principles for anti-corruption, such as impartial and transparent business performance, while leadership training for managers such as the part managers/sales office managers was conducted centered on actual cases of anti-corruption. In addition, an 'education session for ethical dilemma' was conducted for all employees, regarding how to deal with dilemmas, such as conflicts of interest/fair trade/corruption prevention that they may face in the course of performing their work.



### Anonymous reporting system

We are operating the 'Anonymous Reporting System' (<https://www.kbei.org/orion>) through which internal and external stakeholders can report unethical behavior anonymously. Based on this system, the Company receives reports of illegal acts/unfair trade/embezzlement and misuse/solicitation/internal information manipulation and leakage/human rights violations/other unethical acts, etc. As such, the Company implements the system by consigning the operation to an outside agency to thoroughly protect the anonymity of reporters. In 2022, a total of six cases were reported, and all the reported matters were handled in accordance with the procedures.

## External Evaluation and Awards

### ESG Rating

In recognition of Orion's ESG activities that the Company has conducted over the past eight years based on ethical management, both Orion and Orion Holdings obtained an integrated grade of 'A' in the ESG evaluation conducted by the Korea Corporate Governance Service for two consecutive years.

		Integrated grade	Environment (E)	Society (S)	Governance (G)
Orion	2022	A	B+	A	A
	2021	A	A	A	B+
Orion Holdings	2022	A	B+	A	A
	2021	A	A	A	A

### Awards

The following shows recognition of Orion's contribution to ethical management.

<p><b>Korea</b></p> <ul style="list-style-type: none"> <li>• National Quality Circle Contest/ Ministry of Trade, Industry and Energy                     <ul style="list-style-type: none"> <li>-Gold Prize for Carbon Neutrality (Iksan Factory in 2022), Silver Prize (in 2021)</li> <li>-Gold Prize for Climate Change (Cheongju Factory (2022-2021)</li> <li>-Bronze Prize in Indirect Office Section (Head office in 2021)</li> </ul> </li> <li>• Awarded the Highest Grade in the Fair Trade Agreement Implementation Evaluation/ Fair Trade Commission (2019-2022)</li> <li>• Prime Minister Award from National Quality Innovation Award, Carbon Neutral Sector/ Ministry of Trade, Industry and Energy (in 2021)</li> </ul>	<p><b>China</b></p> <ul style="list-style-type: none"> <li>• Exemplary CSR Company Award / Hosted by the South Korean Embassy in China (2016-2022)</li> <li>• 2021 CSR China Education Award Top 100 Companies, Awarded the Highest Grade in four sectors including the highest CSR brand award/ CSR China Education Federation (2021-2022)</li> <li>• Award for Enterprise making Outstanding Eco-friendly Contribution / Guangdong Provincial Ministry of Ecology and Environment, China (in 2021)</li> </ul> <p><b>Vietnam</b></p> <ul style="list-style-type: none"> <li>• Prime Minister Award for Industrial Safety and Hygiene sector/ Ministry of Labor, Veterans and Social Affairs (in 2022)</li> <li>• People's Committee Award for Sponsoring Disadvantaged Children / People's Committee of Binh Duong Province (in 2022)</li> </ul>
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# Corporate Governance

## Status of Board of Directors



Corporate governance

Orion operates its Board of Directors based on the principle of transparent management that fulfills its responsibilities to shareholders through transparent and efficient management activities and reasonable decision-making, considering the interests of all shareholders. Since its spin-off from Orion Holdings in June 2017, Orion has organized and operated the Board of Directors under the management system run by 'professional businessman.' The Company reports on its management performance at the monthly Board of Directors' meeting to which major agenda is submitted for decision-making. We are carrying out fair and reasonable management activities centered on the Board of Directors. In January 2023, we adopted a 'Corporate Governance Charter' to protect shareholders' rights and interests and to establish fair and transparent governance. This will further strengthen ESG-centered management of Orion with a focus on protecting stakeholders such as shareholders, employees, customers, partners, and local communities. For more information, please refer to the 'Corporate Governance Charter' posted on our website.



Composition and operation of Board of Directors

The Board of Directors (BOD) consists of five directors (two inside directors and three independent non-executive directors) coming from three specialized fields of finance, law, and accounting - to provide experience accumulated in diverse fields. To this end, independent directors account for three (60%) out of five members of the BOD, which exceeds the 25% required by law. The BOD is hosting regular board meetings once per month, and extraordinary BOD meetings are convened as necessary. In 2021, a total of 15 meetings (14 regular meetings, one extraordinary meeting) were convened to discuss a total of 31 agenda items (18 agendas to report, and 13 agendas for resolutions) while a total of 19 meetings (13 regular meetings and 6 extraordinary meetings) were convened to discuss a total of 40 agendas (19 agendas to report, and 21 agendas for resolution) in 2022.



Committees under the BOD

The BOD operates the 'Audit Committee,' 'Independent non-executive Director Recommendation Committee,' 'ESG Committee' and 'Remuneration Committee (established in January 2023).' All members of the Audit Committee are independent directors who conduct audits of the Company's overall business including financial status. The Independent non-executive Director Recommendation Committee recommends candidates after verifying the independence, diversity in experience, and competency of outside independent director candidates. Since its establishment in 2022, the ESG Committee has held regular meetings semiannually, deliberating on major ESG-related issues such as ESG activity, performance and plans, environmental investments, and external donations and sponsorships, etc. In January 2023, we newly established the Remuneration Committee to carry out activities to ensure the appropriateness and transparency of the board members' remuneration, such as setting director remuneration limits and managing remuneration level of the management. For more details, please refer to the business report and corporate governance report of Orion.



Strengthening the independence of outside directors within the BOD

The 'Audit Committee' and 'Independent non-executive Director Recommendation Committee' maintain the number of outside independent directors exceeding the ratio as stipulated in Article 415-2 (2) of the Commercial Act, Article 44 of the Articles of Incorporation, Article 12 of the Board of Directors Regulations, and Article 542-8 of the Commercial Act. The Audit Committee consists of all outside directors, and more than two-thirds of members of the Independent non-executive Director Candidate Recommendation Committee, ESG Committee and Remuneration Committee are outside independent directors, which strengthen the independence role of the Committees.

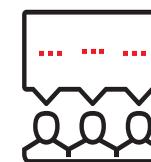
## Composition Status of Board of Directors (As of March 2023)

Category	Name	Specialized fields	Major career	Initial appointment date	Expected term expiration date	Audit Committee	Independent non-executive Director Candidate Recommendation Committee	ESG Committee	Remuneration Committee
Inside director	Inn-chul Hur	General management of business (Professional businessman)	CEO of Orion Holdings	June 2017	March 2026	-	Member	-	-
	Seung-joon Lee	R&D (Professional businessman)	CEO of Orion Co., Ltd.	March 2022	March 2025	-	-	Member	Member
Outside director	Seung-kwon Roh	Law	Chief Prosecutor of Daegu District Public Prosecutor's Office	March 2023	March 2025	Member	Chairman	Member	-
	Wook Lee	Audit	Former) Head of Supervision of Public Officials HQ, Board of Audit and Inspection	March 2020	March 2024	Member	-	Chairman	Member
	Yong-seok Heo	Finance	Former) Commissioner of the Korea Customs Service (23 <sup>rd</sup> )	March 2021	March 2025	Chairman	Member	-	Member

## Enhance Shareholder Value

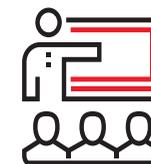
### Protection of shareholders' rights and fair information provision

Orion is establishing various systems to guarantee the shareholders' rights in accordance with the standards set by the Company's Articles of Incorporation and relevant laws. According to Article 26 of the Articles of Incorporation, the Company grants one voting power per share to all shareholders and cash dividends are made annually to return shareholder value. In addition, the Company makes monthly disclosures prior to the quarterly report as the fair disclosure to help shareholders and potential investors better understand the Company's performance.



Guaranteeing exercise of voting rights by shareholders

- Making announcement of convocation four weeks prior to the general meeting of shareholders
- Participating in the voluntary compliance program for distributed general meeting of shareholders (introduced electronic voting system, and recommending exercise of voting rights by proxy)
- Allowing exercise of shareholder proposal rights (shareholders who hold 1% or more of outstanding shares)



Disclosure of dividend policy

- Disclosing three-year dividend policy, including the total amount of dividend and dividend plan (website)
- Allocating dividends equivalent to 20-60% of annual free cash flow (effective till business year of 2024)



Expansion of communication with shareholders

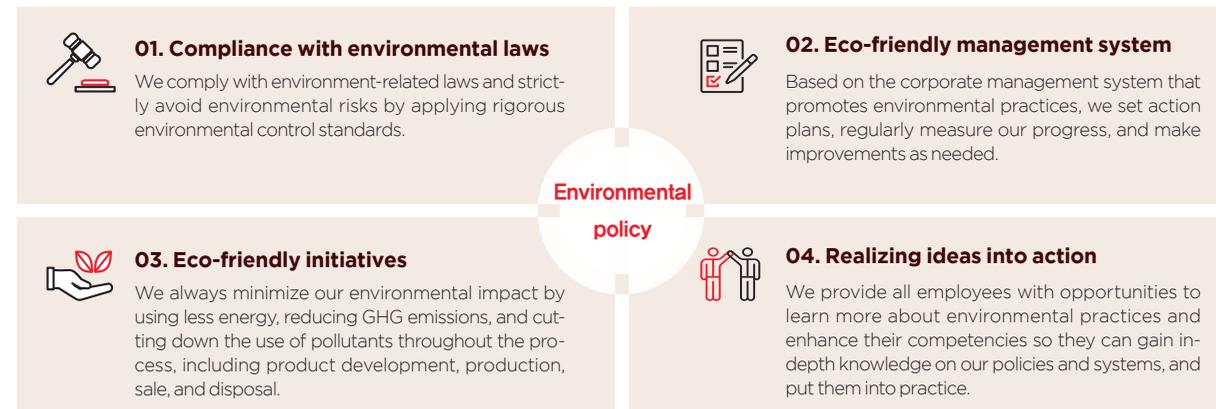
- Making fair disclosure of interim performance by regions (on a monthly basis)
- Holding regular IR meetings for institutions and investors (on a monthly and quarterly basis)
- Holding a conference meeting hosted by the CEO for institutions such as securities firms
- Expanding English disclosure for foreign shareholders and investors

# Environment

## Environment Management System

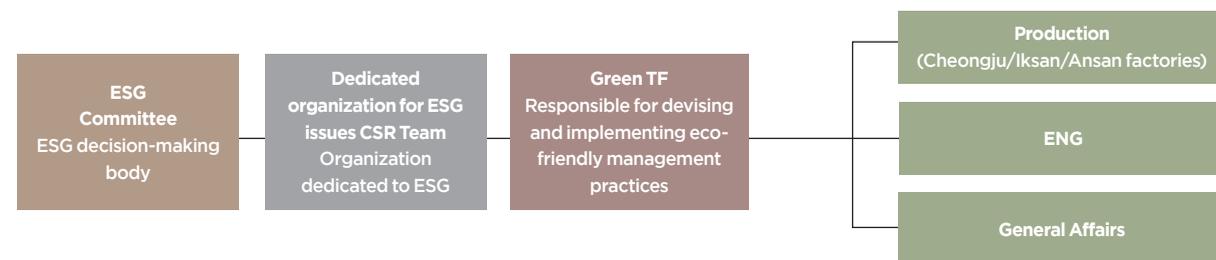
### Environmental policy

In pursuit of 'sustainable eco-friendly management' in accordance with our management policy, Orion has embraced environmental management practices as follows by conducting eco-friendly activities in all stages of product development, production, sale, & disposal.



### Environmental organization

The Company established the 'ESG Committee,' a decision-making body under the Board of Directors, to deliberate and make company-wide decisions on major ESG issues and initiatives, such as environment-related investments, and the Company also established and implemented company-wide eco-friendly management strategies by forming 'Green TF' under the dedicated organization for ESG issues CSR Team. The eco-friendly management strategies adopted are implemented exclusively by the production (each factory)/ ENG/ general affairs division for eco-friendly activities.



### Environmental training for employees

Orion provides environmental education to its employees so that they can apply eco-friendly management in their fields according to the environmental policy. Expert training to reduce greenhouse gases, circle training, and energy-saving training were conducted for managers responsible for eco-friendly management at each factory. In addition, the Company conducted online/offline training on ESG concepts and practical cases for relevant employees to enhance their understanding of ESG management in general and to explore implementation plans.

### Environmental performance evaluation

By measuring the 'ethics management index' for management and evaluation of Group-level ethical management activities, the Company evaluates and manages the environmental management performance of each subsidiary/organization by items such as energy consumption reduction, carbon emission reduction, environmental pollutant reduction, compliance with environmental laws and preventive activities, and environmental cleanup activities.

In this regard, employees and organizations dedicated to environment issues are committed to achieving eco-friendly goals by setting environment-related key performance indicators (KPIs) such as reducing energy costs and industrial waste, improving packaging space efficiency, and reducing the proportion of hazardous chemicals.

## Environmental Management Goals and Performance

Orion has been implementing various activities with the goal of reducing greenhouse gas emissions by 3% every year to reduce them by more than 30% by 2030, and such efforts led to a reduction of 13% in 2022 over last year. (Domestic locations. Based on GHG intensity)

### Setting up an integrated control system for reduction of global carbon emissions

In 2021, we completed the independent (third-party) verification conducted by the Korean Standards Association (KSA) that meets international standards on GHG emissions at our overseas locations including China, Vietnam, and Russia. To manage our carbon-reduction goals, for the first time in the Korean food industry, we introduced the Integrated Control System for Reduction of Global Carbon Emissions, which enables us to efficiently manage key data such as the amount of GHG emissions, emission rights, and status of GHG-emitting facilities at our business sites in Korea, China, Vietnam, and Russia. In this way, we are managing the emissions amounts and goals of our locations based on data, while identifying reduction items and implementing activities to reduce them.

### Installed 'Flexo Machines' for Eco-Friendly Printing

Since 2019, Orion has introduced and operated flexo machines for eco-friendly printing. Unlike the existing gravure method, flexo printing is a method of producing packaging materials by significantly reducing the use of ink and organic solvents, which are harmful chemicals. For this, we invested a total of KRW 12 billion (7 billion in 2019, 5 billion in 2021) to put a second flexo machine into use. We are applying flexo printing for 38 products, including Choco Pies and Wacle, with plans to expand this to 80% of all our film packaging products going forward. This significantly reduces environmental degradation because the technique can decrease the use of harmful organic solvents by up to 800 tons per year, which contributes to environmental protection.

### Accredited with certification (ISO14001) for environmental management systems and certification (ISO50001) for energy management system

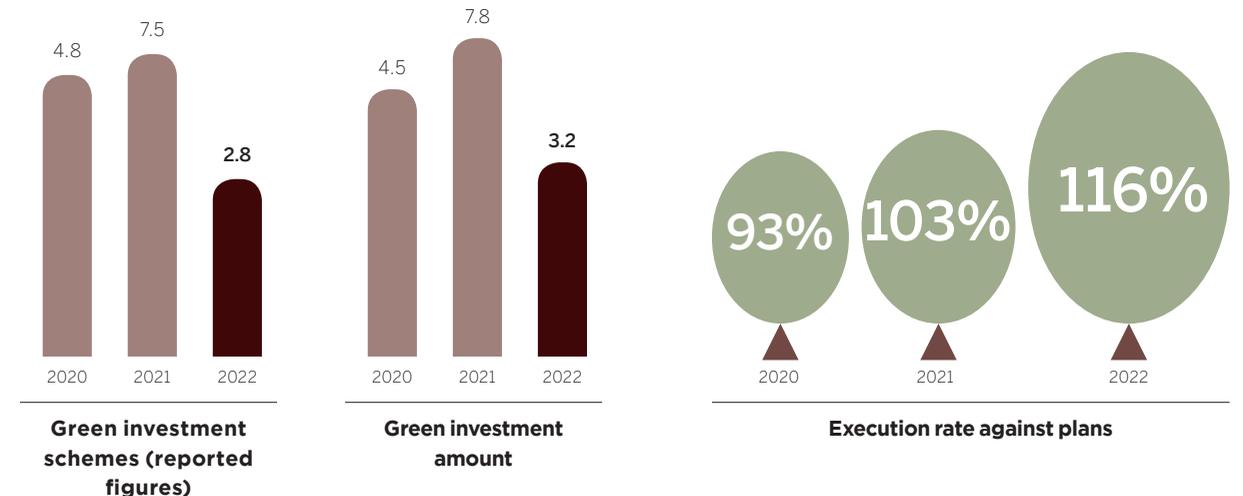
Orion China, the corporation with the largest production volume, was accredited with ISO14001 certification for the Langfang, Shenyang, Shanghai, and Guangzhou factories between 2018 and 2021, and was accredited with ISO50001 certification for all locations in recognition of our systematic efforts to reduce energy consumption and to enhance its efficiency. In Korea, we were accredited with certification at all domestic locations in June 2022, leading the way in environmental management.

### Delegated EVs for Sales Activities

Orion Korea has established and implemented a plan to convert all one-ton vehicles for business into EVs. In 2021, two 1-ton EVs for business were deployed to the Geumcheon office in Seoul, and two more were deployed to the Busan office in 2022. Compared to existing vehicles, it has reduced carbon emissions and fuel costs, and salespersons are highly satisfied, so we plan to replace all the one-ton vehicles for business used at all domestic agencies with EVs by 2025.

## Green Investment Performance

(Unit : USD million)



## Response to Climate Change

In response to the global initiative to tackle climate change, we are ramping up our efforts to lower GHG emissions and control energy use at the group level. In Korea, we are carrying out activities to ensure higher energy efficiency by renovating production facilities, while overseas affiliated companies are actively expanding investment in new and renewable energy. In addition, we provide support for energy-reduction and greenhouse gas-reduction technologies to our subsidiaries and partners. In recognition of our hard work, we became the only company to have passed the screening standards of the 'National Quality Innovation Awards 2021' among all nominated companies in the industry and won the Prime Minister's Award.

### Activiti

#### Cheongju Factory

The Cheongju factory participated in the energy and climate change category of the 'National Convention on Quality Control Circles' and won the Presidential Gold Award for two consecutive years (2020 and 2021). In 2021, the GHG emissions intensity was reduced by 9.3% compared to the previous year by installing a power-saving device, replacing a cooling water circulation pump, and improving air conditioning facilities. By installing energy-saving steam supplies for Kkobuk Chips and waste heat recovery facilities for potato fryers in 2020, we reduced GHG emissions intensity by 5.1% compared to the previous one. In particular, the case of installing waste heat recovery facilities was selected for the first time in the F&B industry as a GHG-reduction project of the Foundation of Agricultural Tech Commercialization & Transfer and received about 50% of the facility investment expenses. Moreover, as the case was selected as project for energy management systems (ENMS) of the Korea Agriculture Technology Promotion Agency, we received support for 50% of installation expenses of the facility, and the system was completed in December 2022.

#### Iksan Factory

The Iksan factory participated in the energy and climate change category of the 'National Convention on Quality Control Circles' and won awards for two consecutive years (gold award in 2022 and silver award in 2021). In 2022, we reduced GHG emissions intensity by 10.3% and 7.7%, respectively, through the establishment of outdoor air supply facilities in the manufacturing room of Chewing Candy product 'Beatles,' and the improvement of refrigerators for storing frozen potatoes, the main ingredients of 'Nuneul Gamja'. In 2021, we reduced 475 tons of GHG per year by improving the air compressor facilities used in the production of Goraebab and improving the facilities to recover and recycle waste heat generated during the production of Cuttlefish Peanut Balls.

### Providing Support for Suppliers & Partners

In 2020, we enhanced the efficiency of boilers, vacuum evaporator steam use, and the compressed air system used in manufacturing Orion Jeju Yongamsoo, while achieving the feat of reducing 117.9 tons of GHG-emissions per year. In 2021, we supported Samah International Corp., one of our partners, to recover waste heat from boilers and ovens, and helped them cut down 43 tons of GHG-emissions per year.

### Investment in & Development of New and Renewable Energy In Overseas Affiliated Companies

Overseas affiliated companies are focusing on adopting and operating new and renewable energies. In 2022, Orion China installed and started to operate solar power systems in the plants of Guangzhou and Shanghai, which are expected to save energy costs by up to USD 0.1 million, and reduce carbon emissions by 3,000 tons per year.

Orion Vietnam adopted the biomass system that uses heat generated by burning wood chips to replace existing LPG boilers in the Yen Phong factory. Compared to LPG, biomass has higher thermal efficiency and lower carbon emission effects, which is expected to reduce energy costs by USD 0.5 million and carbon emissions by 4,200 tons per year.

#### Greenhouse gas emission

Category	Unit	2020	2021	2022
Amount of direct emissions	tonCO2e	26,860	25,822	27,090
Amount of indirect emissions	tonCO2e	41,087	39,307	40,613
Total amount	tonCO2e	67,947	65,129	67,703

※ Aggregation range of domestic GHG emissions and energy consumption: All domestic business sites (headquarters, factories, sales offices, logistics centers, etc.)

#### Greenhouse gas emission

Category	Unit	2020	2021	2022
Amount of energy used	tonCO2e	501	484	512
Amount of elec-tricity used	tonCO2e	819	797	824
Amount of steam used	tonCO2e	15	14	15
Total amount	tonCO2e	1,335	1,295	1,351

## Water/Waste Management

We actively pursue water conservation based on the efficient use of water resources used in the production process. Our Cheongju Factory leads the way in eco-friendly practices by recycling 100% of the water used for washing potatoes as other washing water. In addition, we rolled out a series of 'I need snacks' that uses an eco-friendly 'one-stop package' that can be displayed by simply opening the packaging with the target of reducing waste by 3% compared to the previous year, and each of our factories uses 100% of sludge/sewage and plant-based residues for composting and soil improvement.

#### Water consumption & Reuse rate

Category	Unit	2020	2021	2022
Water use	Ton	626,858	619,745	729,891
Amount of water recycled	Ton	100,000	42,200	14,241
Output	Ton	526,858	577,545	715,650
Recycling rate	%	16	6.8	2.0

※ Aggregation range of water usage and waste emissions : Major domestic business sites(headquarters, Cheongju plant, Iksan plant)

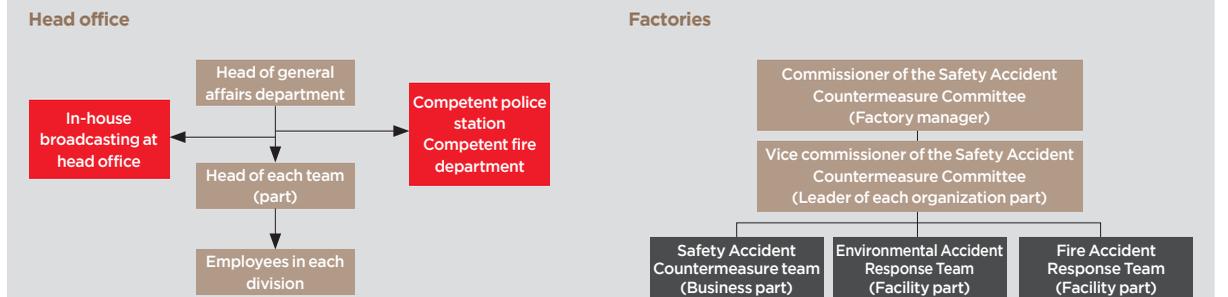
#### Amount of waste generated & Recycling rate

Category	Unit	2020	2021	2022
Amount of waste generated	Ton	7,021	7,405	8,810
Amount of waste recycled	Ton	6,978	7,358	8,682
Output	Ton	43	47	129
Recycling rate	%	99.4	99.4	98.5

## Environmental-Risk Control

### Accident response system

Orion operates accident response systems at the head office and factories considering characteristics of each business site to manage risks that may arise in the field.



### Chemical substance management

Orion strictly manages all chemical substances it handles. The Company manages 530 types of reagents for analysis through Material Safety Data Sheet (MSDA) standards and manages environmental risks through legal-risk management and management of use/storage facilities.

#### Legal-risk management

Completion of off-site impact assessment, installation inspection, and periodic inspection



#### Use/ Storage facility management

Storage locker, safety protection box, GHS, thermo-hygrometer, MSDS, storage container, ventilation fan, usage log maintenance



## Activities to Reduce Environmental Impact on Local Communities and to Preserve Biodiversity

Orion contributed donations to the Orion Foundation and has carried out activities to reduce the environmental impact on local communities, and to preserve biodiversity.

### Activities to reduce environmental impact



**World Vision**  
Global GK for water  
USD 12,711.3  
(2018-2020)



**Jeju Techno Park**  
Jeju Water Resources  
Protection  
USD 0.2 million  
(2021)



**The Gotjawal Trust of Jeju**  
Gotjawal Ecological  
Conservation  
USD 61,166.4 (2021)



**WWF Korea World Wildlife Fund**  
Protection of porpoises  
(Native whale)  
USD 8,738.1 (2021)



**MARC Marine Animal Research & Conservation**  
Protection of porpoises  
(native whale)  
USD 3,870.1 (2022)

**About USD 0.3 million in total**

# Society

## Human Rights Management

### Human rights management and respect for diversity

Orion values the happiness and development of its employees. To this end, we put the employees first and actively implement human rights management. The Company strives to treat all executives and employees fairly regardless of nationality, race, gender, age, educational background, region of origin, disability, etc. and to create a corporate culture free from harassment, gender discrimination and sexual harassment. Orion provides education on improving awareness of the disabled, preventing harassment, and sexual harassment in the workplace, and also strives to hire the disabled and veterans/national meritorious people.

### Employee Grievance Handling System

We have installed/operated the Workplace Harassment Reporting Center on the Groupware since 2019 to protect employees in accordance with the Workplace Harassment Prohibition Act. Investigations are conducted based on the information reported through the reporting center, and procedures have also been established to enforce victim protection measures and take reasonable measures against the perpetrators.

In addition, the Company provides an integrated psychological support program called 'Mind Care Service' so that our employees can enjoy a happy daily life. Through the Service, the Company strives to resolve psychological issues and stress that the employees may experience in the workplace so that they can work more efficiently. The Service is receiving good responses in this regard from the employees.

## Human Resources Development

Orion operates systematic training programs to develop employees' job performance competencies and enhance organizational capabilities, and actively supports customized training based on the needs of the organization and individuals.

### Employee training status

Category	2020	2021	2022
Number of persons	1,549	1,409	1,386
Total training hours (h)	52,805	53,138	54,203
Training hours per person (h)	34	38	39
Total training costs (USD million)	0.3	0.3	0.4
Education costs per person (USD)	220.3	244.7	301.9

### Main education program

Education program	Target	Details	Month of enforcement
Statutory education for employees	All employees	Prevention of sexual harassment/prohibition of harassment/improvement of awareness of the disabled/safety and health education	All-year-round
Basic literacy education	All employees	In-house language course/education on market trends/business etiquette	March to December
Introductory education for New/experienced employees	New/experienced employees	Introductory education for new/experienced employees (understanding of company/field practice), OJT/mentoring	All-year-round
Leadership training	Head of department/ Sales office manager/ New head of department	Department head leadership course, sales manager leadership course, new department part manager OT	All-year-round
OBS (Orion MBA)	Core talents at the manager/ deputy general manager-level	Cultivation of company-wide management mindset and acquisition of business knowledge	June to October
Training for promoted persons	Overall positions (the promoted)	Education on meaning of promotion, role/responsibility by position, competency training by position	March to April
On-the-job training	Person in charge of performing the job	Training for each organization/job, such as sales/production/research center/marketing/support headquarters	All-year-round
The-LINK (Understanding the work of related departments)	All employees	Understanding of other departments' jobs and checking collaboration points	March to November
Cyber-training center	All employees	Basic knowledge/job competency/foreign language/reading communication	All-year-round

## Safety and Health

### Safety and health policy

Based on our policy of 'Achieving a zero-accident business site through the creation of a safety culture for employees and the establishment of a pleasant workplace environment,' Orion is committed to creating a safe working environment for employees by providing systematic safety and health training and environment tailored to the characteristics of each business site and raising safety awareness.

### Safety and health activities

In 2022, all trainees of regular occupational safety and health education completed 100% of the training, and a risk assessment was conducted at the workplace to identify and evaluate harmful risk factors and improve them. Furthermore, through the 'Weak Point Management', Orion is conducting self-inspection and discovering risk factors for each team/business such as safety inspection of facilities and sanitation inspection of group catering facilities for all business sites. In addition, the Company strives to create a safe working environment for its employees through precise safety diagnosis, work environment measurement, and investigation of factors harmful to the musculoskeletal system of the employees.

### Industrial disaster rate

Category	Accident rate	Number of casualties	Number of regular workers
2022	0.410%	6 persons	1,465 persons

※ Number of regular workers: based on number of regular workers who signed up for industrial accident insurance

## Enhancing Employee Satisfaction

We are supporting employees so that they can work in an efficient and comfortable working environment and operating various programs to boost employee satisfaction.



### Employee satisfaction survey

- Identifying the satisfaction-level of all corporate executives and employees for the company as a whole (conducted annually on a regular basis)
- After collecting employee opinions, they are taken into consideration when establishing company policies and ethical management plans.



### Scheme/Program

#### Work-life balance

- Family day, flexible work system, PC-Off system, holiday for sandwich days, special leave, alternative holiday system, etc.

#### Employee communication

- Town hall meeting where employees and top management can communicate with each other
- Ethical management / management performance / HR system briefing session, regular on-site communication meeting

#### Reward system

- Awarding for excellent ethical management practice, reward/vacation for long-term service, reward system for new product development, award for achievement

#### Maternity protection

- Operating Mom's room, shortened work-hour system, maternity leave, telecommuting for pregnant women, etc.



### Employee welfare

- Welfare points/welfare mall, support for student tuition, support for medical expenses/health checkup, money and leave for congratulations and condolences, support for eating out, condo discount, free in-house cafeteria, discount on company products, etc.

## Shared Growth

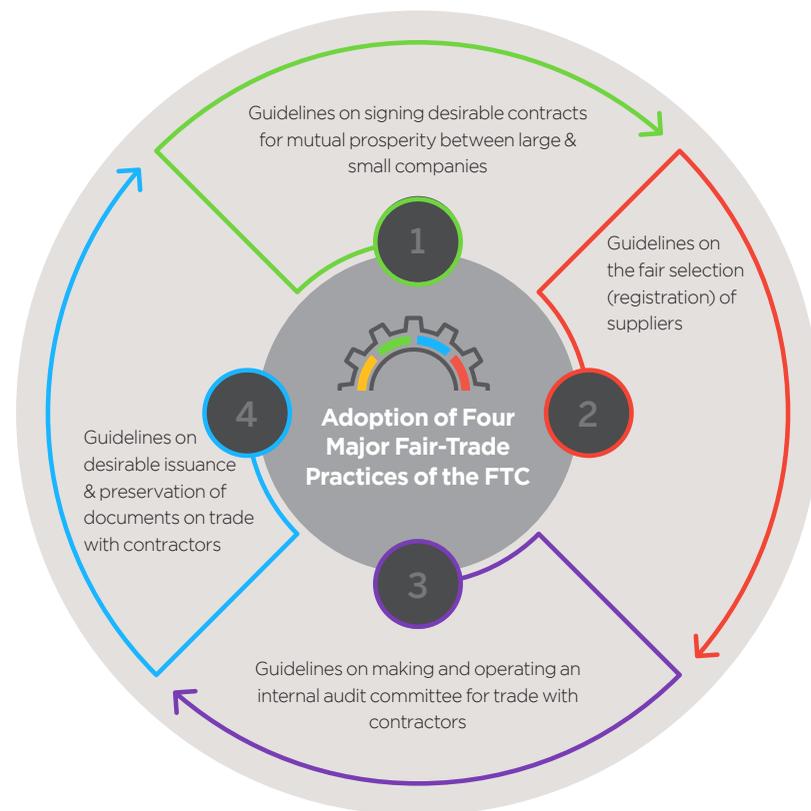
### Establishing a sustainable supply-chain management system

Orion is establishing a sustainable supply-chain management system to provide consumers with economically, socially and environmentally responsible products. We have established and operated a 'Code of Conduct for Partners' to ensure that all partners recognize the importance of ethical management and conduct business in compliance with applicable laws and ethical standards.

### Establishment of fair and transparent transaction order

Orion pursues shared development through fair trade with its partners, and strives to establish a transparent transaction culture throughout the industry.

In 2018, Orion introduced the open bidding system for the first time in the confectionery industry, and in 2021, we revised the 'Operation Guidelines for Fair Selection (Registration) of Companies' to continuously reinforce its fair transaction system.



### Operation of internal audit committee for trade with contractors

Orion avoids risks that may arise in the supply chain by reporting major issues and activities related to partners through the Shared Growth Deliberation Committee on a monthly basis, and deliberating the fairness and legality of overall transactions in advance.

### Win-win cooperation through communication

Orion pursues enhancement of mutual benefit and sound development through active communication with its partners such as operation of a win-win cooperation portal, meeting/satisfaction survey, etc.

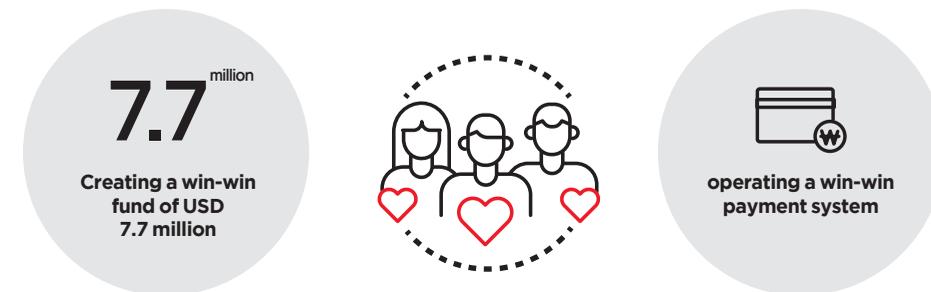
In recognition of our efforts to establish win-win partnership based on trust, we were awarded an 'Excellent' rating in the fair trade agreement implementation evaluation for four years in a row.

## Shared-growth support program

Orion operates various support programs that are of practical help to its partners to strengthen the competitiveness of its supply chain.

### 1) Financial support

: Creating a win-win fund of USD 7.7 million, operating a win-win payment system



### 2) Support for productivity improvement

Program	Details of support
Expanding sales channels	• Support for shipping costs and customs fees for samples for overseas market entry and export
Quality improvement	• Support for technical protection such as quality improvement machinery/equipment support, technical protection deposit
Energy saving	• Support for introduction of energy-saving machinery/equipment, support for eco-friendly certification (ISO, etc.)
Education/ training	• Operation of quality & hygiene/technical guidance/food safety education, online education site

### 3) Performance sharing system: joint R&D and performance sharing



## Food Safety

### Systematization of quality and safety system

Orion seeks to provide safe products that the customers can consume with confidence, through careful monitoring of all stages of product development, production, distribution and sales.

Our domestic and overseas factories maintain strict international food safety certifications and establish a preventive system through the thorough food safety audit system of Orion.

The purpose of the Global Quality Assurance System (GQAS) is to enhance safety of all production sites through inspection and improvement activities for food safety.

At each global business site, we train auditors with rich field experience and expertise to inspect food safety at all Orion factories. We are identifying matters for improvement based on the inspection results every year, and we are also engaging in the activities to raise Orion's food safety level through improvement activities.

The Quality and Safety Team operates the "Food Safety Calendar" to ensure the safety of products in the distribution channel and raw materials, and the Team conducted 1,533 microbiological and physicochemical analyses in 2022.



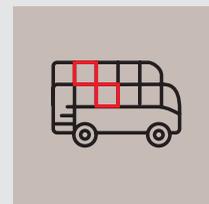
#### Research and development

- Selecting safe raw materials
- Inspecting partners and supporting improvement
- Preventing hazardous factors in advance



#### Production

- Inspecting production site (GQAS)
- Acquiring food safety certification
- Inspecting hazardous factors for finished products



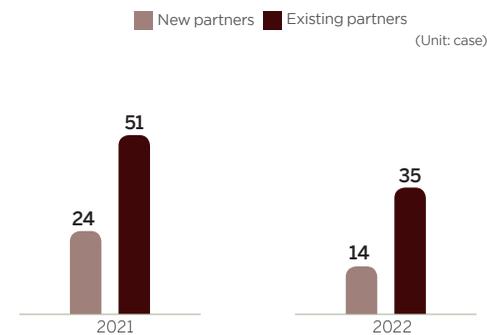
#### Distribution & sales

- Managing product distribution safety
- Collecting and inspecting products in distribution channel
- Providing correct information

### Food safety certificate status

Country	No. of factories	Certification
Korea	2	FSSC22000, HACCP
China	4	FSSC22000, HACCP
Vietnam	2	FSSC22000, HALAL
Russia	2	FSSC22000

### Status of partner's sanitation inspection



## Customer Satisfaction

### Operation of Voice of Customer (VOC)

Orion receives feedback from customers through various channels and reflects them in its products. We care about even small things, from simple inquiries to complaints, and we share them with the relevant departments in the company. The Company is continuously striving to increase customer satisfaction by actively reflecting VOC in new product development and product quality improvement.

### VOC-Handling Status in 2022



Complaints



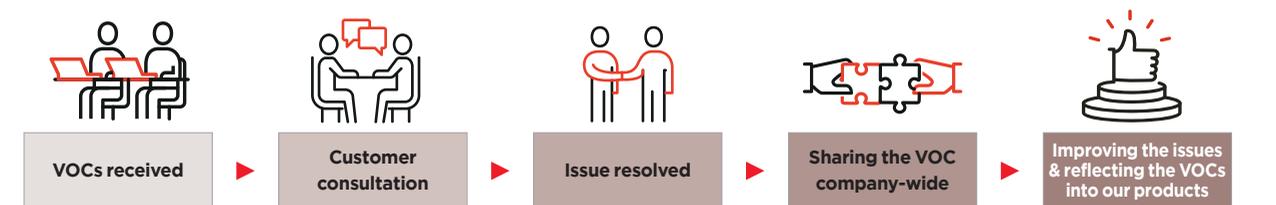
Feedback



\* VOC, Voice of Customers

### VOC and Handling Process

As soon as the Company receives customer opinions, we register them with the Consumer Complaints Management System (CCMS) program, then the factory looks into how to handle customer complaints. Then the quality-management department carries out preventive activities to prevent recurrence of same complaints.



※ Consumer Damage Compensation Organization: Customer Center

### Actively reflecting customers' feedback

We are actively collecting opinions on customers' tastes and needs, and reflecting them in our products.

#### Improving Eating Convenience



Orion released the 'Chewy Komultang Mini,' a small package of Wang Komultang with large quantity that enhances the convenience of eating by reflecting consumer's feedback. A total of 55 mini jellies packaged in small 10g package were placed in a box-type package that can be easily stored anywhere, and a semicircular entrance that makes it easier for consumers to remove and eat it.

#### New product release



**Strawberry Songyi, Choco Pie Happy Berry Chocolat**  
In 2022, we launched 'Strawberry Songyi' for which we had the largest number of requests for the new Choco Songyi flavor. In response to consumer feedback received on our official website and customer center, we re-released the 'Choco Pie - Happy Berry Chocolat,' which was originally released in 2020 as a limited edition.

### Enhancement of customer satisfaction by strengthening customer consultation capabilities

Managers at the customer consultation centers are provided regular training and education on products by the inhouse experts to deliver easier and clearer information to customers.

In addition, we conduct evaluations by external consulting experts on a regular basis for better customer communication and service.

## Products Considering Social Responsibility

### Reducing/Improving Product-Quantity and Packaging

Orion has been protecting the environment by reducing the size of product-packaging and quantity of ink-usage since 2014, when excessive packaging in the confectionery industry emerged as a social concern in terms of ethical management. At the same time, the Company has provided more value to consumers by increasing the quantity of products.

We are trying to provide more value to consumers by increasing the quantity of products without price increase. The Company strives to increase the quantity of products such as 'Choco Pie,' 'Poca Chips,' 'O!Granola,' and 'Choco Chip Cookies.'

Since 2015, Orion has reduced packaging material standards. We have lowered the amount of empty space inside the packaging of major snack products such as 'Poca Chips,' 'Cuttlefish Peanut Balls,' and 'Swing Chips,' to much lower than the level set by the Ministry of Environment.



In 2015, we lowered the degree of prints for 22 brands' packaging papers, saving 88 tons of ink per year.  
 In 2017, we succeeded in developing an eco-friendly ink that does not use volatile organic solvents harmful to the human body and acquired 'Green Technology Certification' from the Ministry of Environment for the first time for food packaging material. From July to November 2019, we simplified the packaging design of a total of 10 brands lowering the degree of prints.  
 In March 2020, we introduced a 'Flexographic' printing facility that can reduce ink consumption by 50% compared to the previous one.  
 We applied the water-separable label to 'Dr. You Jeju Yongamsoo,' released in December 2019, and in 2022, we again introduced new 'Dr. You Jeju Yongamsoo without label' which meets all three eco-friendly requirements of label-free, colorless caps, and colorless bottles, which improved the convenience of waste separation and recycling of PET bottles.

## Social Contribution Activities

### Social contribution policies and activities

Orion strives to fulfill its social responsibility based on continuous growth-oriented social contribution activities. To this end, all subsidiaries are conducting social contribution activities which are aligned with their business under the Group's common theme of 'Sharing Love.' They are carrying out the activities in accordance with two directions: 'Compassionate Sharing,' which supports vulnerable children and youth, and 'Sharing Green Heart', which is an eco-friendly/community volunteer activity.

Goal	<b>Creating a business-friendly environment through social contribution activities aligned with business</b>	
	<b>Common Group Theme: 'Sharing Love'</b>	
Direction	<b>Sharing Warm Heart</b>	<b>Sharing Green Heart</b>
	<b>Support for vulnerable children and youth</b>	<b>Eco-friendly/community volunteer activity</b>
Activities	<p><b>Korea</b></p> <ul style="list-style-type: none"> <li>Support for emotional development of children &amp; youth                             <ul style="list-style-type: none"> <li>Donating confectionery sets to local children's centers</li> <li>Donating pediatric ward products, and supporting scholarship, etc.</li> </ul> </li> <li>Campaign for missing children and prevention (Concluding agreement with Seoul Metropolitan Police Agency)                             <ul style="list-style-type: none"> <li>Insert promotional design for 'Fingerprint Pre-Registration System' in product package</li> </ul> </li> </ul> <p><b>China</b></p> <ul style="list-style-type: none"> <li>Support for happiness &amp; wellbeing of children and teenagers                             <ul style="list-style-type: none"> <li>Building Happy Schools Campaign (field day of hobbies, and improvement of sports facilities, etc.)</li> <li>Making 'Sunlight Classrooms for Children' (in low-income neighborhoods)</li> <li>Creating spaces for children to get hands-on experience in food safety and gain access to education</li> </ul> </li> </ul> <p><b>Vietnam</b></p> <ul style="list-style-type: none"> <li>Finding Hope in the Classroom Campaign (concluding agreement with World Vision, 2020 to 2022)                             <ul style="list-style-type: none"> <li>School violence prevention and making happy classrooms</li> </ul> </li> <li>Improving school toilet (concluding agreement with Ho Chi Minh City youth group, 2022 to 2025)</li> </ul>	<p><b>Korea</b></p> <ul style="list-style-type: none"> <li>Social contribution agreement in Jeju region                             <ul style="list-style-type: none"> <li>Marine life, local welfare, talent development programs, etc.</li> </ul> </li> <li>Employees, their families &amp; customers joining in plogging events, etc. (jointly with Seoul Metropolitan City)</li> <li>Agreement to sponsor the Ministry of National Defense (donating Orion products to basic training centers, welfare &amp; career support, etc.)</li> <li>"Thank You Oh!Gamja" (Support for farms that have signed potato-supply contracts)</li> </ul> <p><b>China</b></p> <ul style="list-style-type: none"> <li>Donating products to quarantine authorities in COVID-affected /lockdown areas</li> <li>Donating relief goods to flood-affected areas</li> <li>Educational programs on nutrition for local communities (jointly with the Nutrition Society)</li> </ul> <p><b>Vietnam</b></p> <ul style="list-style-type: none"> <li>Homegrown Potatoes Project (2016-2022)                             <ul style="list-style-type: none"> <li>Agricultural tools, technology, regional welfare support geared to farms that signed potato supply contracts.</li> </ul> </li> </ul>

### Major social contribution activities by affiliated company in 2022

Category	Details	Beneficiaries	Amount
Korea	Donating Orion products to local children's center (in connection with plogging events), employees, their families & customers joining in plogging campaign, donating products to the typhoon-affected area Foundation: Sponsored the Armed Forces Day event, welfare fund for Jeju communities, and supported potato farms and local communities	Approx. 162,000 people	USD 0.9 million
China	Building Happy Schools Campaign (field day of hobbies, and improvement of sports facilities, etc.) Donating products to quarantine authorities in COVID-affected /lockdown areas Donating relief goods to flood-affected areas	Approx. 217,000 people	USD 0.8 million
Vietnam	Finding Hope in the Classroom Campaign (School violence prevention activities), improving school bathrooms (concluding agreement with Ho Chi Minh City youth group), Homegrown Potatoes Project (supported farmers and universities)	Approx. 24,000 people	USD 0.3 million
	Sum	Approx. 403,000 people	USD 2.0 million

## Policy to Encourage Employee Engagement

The Company allows employees to engage in social contribution activities during business hours to encourage their engagement in such activities, and reflects the performance of social contribution activities in organizational/individual evaluations. We also share the meaning of social contribution activities by disclosing excellent engagement reviews on our website and CSR engagement system and motivate the participating employees to feel pride.

# KOREA

## The Brand Power of Orion

Global brand 'Choco Pie' loved by global consumers; 'Poca Chips,' becoming a byword for high-quality potato chips thanks to the time-honored know-how of the Orion Potato Research Institute; and 'Kkobuk Chips,' providing rich texture of a four-layered snack - are captivating the tastes of overseas consumers, thus enhancing the brand value of Orion. And other flagship brands of Orion such as 'Goraebab,' which is loved by children in each country was released; and 'Mygummy,' which embodies the shape and texture of real fresh fruit flavor, are loved for their second-to-none product-quality, not only in Korea but also around the world.

Orion is becoming a global general food company by releasing 'Dr. You' brand, which adds nutrition to the taste, and 'Market O NATURE,' a CMR brand that provides the truthful and healthy taste of natural ingredients. In particular, 'Dr. You' is applying its existing image of 'snacks' to 'food,' setting a higher level of brand identity based on the core concept of 'delicious health.'

In addition to nutrition bars and beverages that can easily supplement the nutrition anytime and anywhere, reflecting the growing interest in health and in the leisure population, 'Dr. You' brand added 'Dr. You PRO' to its product lineup, providing delicious health in various products. Going forward, Orion will continue to enhance its brand power by developing even more delicious and healthier products.

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### 2022 Sales in South Korea

USD **726.9** million

### Operating Profit

USD **108.5** million

# Products in South Korea

## Choco Pie

From National Favorite to a Global Food Favorite

Orion Choco Pie is a flagship snack representing the Korean food and confectionery industry, enjoying tremendous popularity since its release in 1974. Choco Pie boasts sales of over 3 billion units per year in more than 60 countries around the world thanks to its excellent taste and quality. In 2015, we increased the weight of Choco Pie from 35g to 39g without increasing the price, while increasing chocolate content by 13% to give more sweet chocolate flavors and softer texture.

In response to the rapidly changing consumption trend, Orion has recently introduced limited editions with different flavors and concepts for each season, such as 'Strawberry Sketch,' 'Watermelon,' and 'Happy Berry Chocolat,' etc. to reinforce communication with young consumers through all-new trials.



## Kkobuk Chips

South Korea's First Four-Layered Snack Food

Orion introduced 'Kkobuk Chips,' the very first four-layered snack food, in the South Korean market in March 2017. As soon as it was released, it became a national favorite snack, creating a sensation in the domestic confectionery market. It is characterized by rich texture and double flavor because it creates the feeling of eating several chips with only one bite. When you slowly chew the snack, it maximizes the crispiness in your mouth and the fun shapes resembling turtles that are also the alluring features of Kkobuk Chips.

Kkobuk Chips has four flavors: the savory Corn Soup flavor, Choco Churros flavor with thick chocolate coating on every layer, sweet and savory Sweet Bean Injeolmi flavor, and Crunch Cheese flavor. In particular, the chocolate churros flavor became one of the 'sold-out snacks' as soon as it was released in September 2020 loved a lot by consumers, and the crunchy cheese flavor with a rich cheddar cheese flavor allows consumers to enjoy the crispy texture, continuing the craze for the unique texture of Kkobuk Chips. Kkobuk Chips is also exporting to overseas markets such as the USA, China, Vietnam, and India, becoming a globally popular snack (a.k.a. 'K-snack') representing Korean snacks.





**Poca Chips**

South Korea's No.1 Raw Potato Chip, Becoming a Mega Brand

Poca Chips has satisfied the tastes of consumers since its launch in 1988, and has dominated the potato snack market for the past 17 years. In 2012 it rose to become a mega brand, with annual sales surpassing USD 88.4 million (KRW 100 billion), maintaining the No. 1 brand position in the raw potato snack market for the past 19 years. This resulted from a rise in adult consumers, an increase in product quantity, and its excellent quality demonstrating Orion's 30-year-long expertise in potato snacks.

In September 2015, Orion increased its Poca Chips products in quantities ranging from 60g to 66g and 124g to 137g, without any price change. It also lowered the amount of empty space inside the packaging to less than 25%, lower than the Ministry of Environment's standard of 35%. This was done to address consumer complaints that the actual contents seemed to be small when compared to the bulky volume of the packaging.

**The Taste of the Sun! -'Sun'**

A Perfect Combination of Whole Grains and Pleasant Salty Taste

Sales of 'Sun' increased by 15% in 2022 compared to the previous year thanks to its non-replaceable texture and flavor such as savory and crispy texture of whole grain, and addictive spice flavor. Customers can enjoy the two flavors: 'hot & spicy flavor' that has a sweet and spicy taste; and a 'garlic baguette flavor' that realistically conveys the flavor of garlic baguettes. In particular, the garlic baguette flavor is loved in the market thanks to the highly addictive 'sweet-salty' flavor and crispy texture.



**Cuttlefish Peanut Balls**

Korea's Leading Snack loved for long time

The Freshness of the seas and the nutty taste of peanuts in one bag

This is a ball-type snack that combines the tastes of savory peanuts and deep seafood. It has been popular for more than 40 years with the vogue words 'Cuttlefish Peanut Balls just for fun.' Peanuts are baked with a thin layer of dough 28 times to create a unique network structure, giving the unique texture of squid peanuts. The crispy coating layer and the pleasant texture of peanuts are the unique features of Cuttlefish Peanut Balls.



**Oh!Gamja**

Crunch soft potato snack with crispy texture

'Oh!Gamja' is a brand snack with a shape and texture differentiated from existing potato snacks, and its unique shape with a hole in the middle of the snack which gives a crispy but melting texture is very attractive. The savory and plain 'Potato gratin flavor' was first released in 1999, and captivated consumers. Oh!Gamja expanded its lineup by releasing a unique dipping sauce that allowed consumers to enjoy the fun and rich taste of dipping sauce in 2004. In 2021, the quantity of the snack was doubled with the release of the 'King Size Oh!Gamja creamy chillily sauce flavor' to allow for a richer texture and taste. The soft, spicy and addictive taste of 'King Size Oh!Gamja creamy chillily sauce flavor' is as much loved by consumers as the representative Oh!Gamja snack 'Seasoned BBQ sauce flavor'. Going forward, Oh!Gamja brand will continue to expand its product lineup as a fun-to-eat brand that gives consumers the pleasure of eating by adding various raw materials and the fun of dipping and eating with differentiated sauces.



**Mutuktuk Potato Chips & Mutuktuk Sweet Potato Chips**

Thickly sliced real potato chips with rich flavor and texture

'Mutuktuk Potato Chips' is a product that is sliced thickly with the peel to allow consumers to enjoy a crispy texture and rich potato taste different from the existing potato chips. Since its release in 2016, it is loved as a beer snack, due to its whole pepper and salt flavor seasoning that brings out the natural flavor of potatoes. Mutuktuk Sweet Potato Chips is real sweet potato snack with a crispy texture that is pleasantly crunched. The rich flavor of sweet potato gives sweetness and savory taste of sweet potato. We will expand the 'Mutuktuk' product lineup, which gives consumers the original taste of raw materials by slicing raw materials thickly.



**Goraebab**

A Fun and Tasty Snack

Since its launch in 1984, Goraebab has become popular with consumers of all ages both in South Korea and abroad. The secret to the popularity is its crispy texture and the 'fun' concept of various marine life characters.

Goraebab, with its salty and savory stir-fried seasoning taste that everyone can enjoy, has become Orion's flagship biscuit that is loved by everyone, from adults to children.



**Custard**

Soft, Moist Orion Custard!

Custard is a soft cake brand filled with sweet custard cream inside soft bread. It has moist and tender taste with abundant eggs that the whole family enjoys the most. In addition, considering the fact that there is a high demand for meal replacements with a light taste, we are satisfying the diverse needs of consumers by releasing products with large quantity. Along with Choco Pie, Custard has become Orion's representative pie brand that is loved by people of all ages and genders.



**Diget**

Fullness Designed with Whole Wheat

Since its launch in 1982, Diget has been Korea's representative biscuit that is characterized by its rough and savory taste of whole wheat. There are various kinds of Diget to meet consumers' individual preferences: 'Diget Original' with the sweet taste of whole wheat, 'Diget Choco' with sweet chocolate, 'Diget Mini' just one bite, and 'Diget Thin' with thin texture that you can enjoy as a light snack, 'Diget Ball', a new enjoyment with rolling chocolate balls, and 'Diget Sand' with plenty of soft milk cream between whole wheat crackers.

**Mygummy**

With the Richness of Real Fruit Juice

Mygummy was launched in 1992. It has been widely popular among children as well as young women, with its taste, shape and chewy texture featuring the shape of fruits. In 2019, 'Chewy Mygummy' was launched with chewier texture and with more quantity per unit of packaging to offer greater choices to consumers. 'Grape Flesh,' which embodies the realistic texture of real fruit grape pulp, and 'Plum Flesh' and 'Lychee Flesh,' were released in 2021 and in 2022, respectively, expanding customers' choices.



**BICHObI**

Chocolate Sandwich Biscuit!

BICHObI is a sandwich biscuit with chocolate sandwiched between the biscuits. Chunks of chocolate and crackers harmonize in your mouth to give a sweet and crispy texture, and hazelnuts in the chocolate adds the savory flavor of chocolate.

**Marie Biscuit**

Marie with Coffee or Tea

'Marie' is a special biscuit made to celebrate a British royal wedding in 1874 with the bride's name 'Marie' engraved on it. Marie, a representative biscuit for tea due to its light taste and good flavor, is still loved in many countries. Marie Biscuit is made with fresh cream and milk to give a rich milk flavor, which can be enjoyed with strong coffee or tea.



**Tok Ping**

Colorful toppings that pop!

Tok Ping is a handmade-style chocolate with various toppings and chocolate in harmony. Filled with toppings from the inside to the outside, you can enjoy the rich taste and texture even with a bite. Almond & granola flavor, with fragrant almonds and crunchy five-grain granola and hazelnut & granola flavor, soft hazelnut, deep cacao granola, give the rich, soft flavor that satisfies your tastes.

**Market O**

Trend Leader

**Market O Brownie**

'Market O Brownie', a representative product of the 'Market O' brand, is a product made with Market O's own recipe so that you can enjoy delicious brownies that were served only at cafes or dessert shops anytime, anywhere. 'Market O Brownie' has a rich chocolate flavor and unique dense flavor of brownies, which is loved by not only domestic but also overseas consumers.



**Market O Potato Tok & Market O Squid Tok**

Market O Potato Tok & Market O Squid Tok, in a thin and elongated stick shape, are natural snacks with a crunchy and attractive texture. 'Market O Potato Tok' maximizes the flavor of the original potato by grinding potatoes finely, and 'Market O Squid Tok' is made with chopped squid to deliver the flavor of squid, filled with the aroma of the sea. 'Tok' snacks are becoming a representative snack loved by consumers with increased deep flavor of the raw material together with the unique chewing pleasure.



# Dr. You



Overall Dr. You Products

Dr. You is one of Orion's representative brands, launched in 2008 with the concept of 'nutrition balanced snack.' In 2021, the existing image of 'snacks' was expanded to 'food,' re-establishing a higher level of brand identity with the core concept of 'delicious health, providing differentiated products such as 'Dr. You Jeju Yongamsoo' and 'Dr. You Protein Bar'. In 2023, marking the 15th anniversary of its launch, we plan to establish the Dr. You as a brand that leads the future growth of Orion by occupying the mineral and protein product markets that suit Korean tastes.

## Dr. You Jeju Yongamsoo

Jeju lava seawater, the source of Dr. You Jeju Yongamsoo, was created by a volcanic eruption 400,000 years ago and has been kept as it is since the beginning of time in the depths of clean Jeju seawater. It is a water resource flowing out only in Jeju that is isolated from the outside world, and it is safe and clean to drink as it slowly passes through the basalt layer, a natural filter. In addition, it is healthy water containing various natural minerals such as calcium and magnesium and rare minerals from the basalt layer. It is a global natural resource that Korea boasts. Only the volcanic islands of Hawaii, Okinawa, and Jeju Island can have the lava seawater, and Jeju Island is the only one that has successfully commercialized it.

According to nutrition information of Dr. You Jeju Yongamsoo, it contains 132mg of calcium, 44mg of potassium, and 18mg of magnesium per 2L, and its hardness (calcium and magnesium content dissolved in water) is 200mg/L. Water with a hardness of 120mg/L or higher according to the WHO standard is classified as hard water, and Dr. You Jeju Yongamsoo, which far exceeds such standard, is leading the way in pioneering the hard water market in the domestic water market centered on soft water.

Furthermore, Dr. You Jeju Yongamsoo has introduced state-of-the-art facilities and new technologies from Germany and Switzerland, and leading researchers in the field of mineral blending and flavoring water, including Dr. Ukon of Japan, who is an expert in the mineral extraction technology sector, and Professor Jae-yoon Koh, the nation's representative water sommelier were engaged in the efforts to enhance product quality and trust by meticulously controlling water quality through 104 kinds of tests, far more than the 54 tests set by the drinking water quality standards.

Quality Dr. You Jeju Yongamsoo is exported to Vietnam, and Russia, competing with the global brands in the global markets.

Orion Jeju Yongamsoo factory obtained 'GMP certification,' a

certification granted to health functional food manufacturing facilities, in November last year, and it launched Orion's first health functional water, 'Dr. You Immune Water' in February 2022, expanding the lineup of Jeju Yongamsoo. In line with the recently increased interest in health, Orion is ramping up 'healthy' brand image of its products with which consumers can conveniently take zinc with a drink that helps 'normal functioning of the immune system.' This has increased sales in the beverage business by 43% in 2022 compared to the previous year, expanding the brand's position.

Orion is striving to develop the local economy of Jeju and revitalize the lava seawater industrial complex. Orion will actively take the lead in making social contribution to the local community by returning 20% of the profit from the sales of Jeju Yongamsoo to Jeju Island prioritizing employment of personnel in Jeju Island expanding investment in Jeju Island promoting Jeju's clean image in overseas and cooperating for development of overseas markets for Jeju local products. Among these, the Jeju Island local social contribution fund will be used for support for environmental protection and social welfare, Jeju marine ecological conservation activities, scholarships for fostering local talent, and promotion of Jeju culture, arts, and academics with prior consultation with the Jeju autonomous government.



## Dr. You Protein Bar

Let's Enjoy Protein Before and After Exercise

'Protein Bar' is a nutritional bar that can replenish 12 grams of protein corresponding to two eggs. It has fiber-rich lentils with ample nuts. Thanks to the interest in well-being, health, and exercise, Dr. You Protein Bar has been crowned a hit product with sales of USD 19.4 million last year.



## Dr. You Protein Drink

A nutritional drink that supplements protein before and after exercise!

Dr. You Protein Drink is a product that allows one to easily consume 12g of protein and 18 amino acids, equivalent of 2 eggs, simply by drinking it. It also contains 210mg of calcium needed to maintain nerve and muscle function. Unlike general protein-supplement foods, Dr. You Protein Drink is applied with Orion's confectionery technology to provide drink in two flavors (chocolate and banana). Dr. You Protein Drink is becoming a steady seller product thanks to the recently booming health-conscious trend.

## Dr. You Protein Balls

Recharge Your Protein!

This is a chocolate ball-type nutritional snack that is wrapped with the crunchy protein crunch and protein chocolate on the chewy whole almonds. It gives consumers a light and savory texture.

## Dr. You Energy Bar

Sustainable Energy!

Dr. You Energy Bar is Korea's representative nutrition bar designed to sustain energy for a long time. Carefully selected raw materials such as nuts, fruits, and cereals, offer a perfect taste that people of all ages and men and women like.

In April 2021, we released 'Dr. You Energy Bar Walnut' with more savory taste and lowered sugar content based on Dr. You brand's unique nutrition plan. The energy bar walnut is featured with maximized savory taste by increasing the content of nuts such as almonds and peanuts by 41% along with walnuts, which are loved by men and women of all ages. We applied the optimal ratio to higher light savory and lower the sugar content with two types of oligosaccharide, isomaltooligosaccharide and fructooligosaccharide.

## Dr. You PRO

Professional nutrition plan!



Dr. You PRO is a high-protein product targeting consumers who exercise professionally for health. Dr. You PRO has three types such as bar, drink, and powder so that you can consume depending on your TPO. The food R&D know-how of the Orion Global Research Institute, which has chocolate processing technology of 50 years or more, has developed a delicious high-protein product with enhanced chocolate flavor and low sugar content. 'Dr. You PRO Protein Bar' is a product mixing animal and vegetable proteins at the same rate, and contains 24g of protein, equivalent to four eggs per 70g.

The 2,000mg of essential amino acids BCAA (leucine, isoleucine, valine) that can only be consumed through food and 500mg of arginine, a nutrient involved in protein synthesis and metabolism, reduce the sugar content by 40% compared to CVS TOP 3 protein bars, making it a good supplement to take before and after exercise such as leisure sports. Protein nuggets inside the chewy chocolates give differentiated taste and texture, realizing crispy texture.

'Dr. You PRO Protein Drink' is a high-protein low-sugar product that contains 24g of protein, the equivalent of four eggs, per 250ml bottle, with a sugar content of less than 1g. It contains milk protein and 18 amino acids that can be digested and absorbed slowly and keep you feel full for a long time. In particular, it contains 5,000mg of BCAA and 300mg of L-carnitine, which help the development of muscle, and 550mg of calcium needed to maintain muscle function.

'Dr. You PRO Protein Powder' contains 30g of protein, equivalent of 5 eggs per scoop, and uses easy-to-digest whey protein isolate (WPI) to help quick absorption right after exercise. In addition, 7,000mg of BCAA, 3,500mg of leucine, and 300mg of L-carnitine will help the development of muscle.



# Market O NATURE



Overall O!Granola Products

Soon after launching its convenient meal replacement (CMR) business, Orion established Orion Nyonghyup, a joint venture with the National Agricultural Cooperation Federation (NACF) in September 2016. The goal was to provide consumers with access to healthy and delicious foods that can be enjoyed conveniently. Orion's CMR business is carried out by the NACF, which provides domestic agricultural products. Orion NACF is in charge of production and sales. The operation included building a 9,900m<sup>2</sup> plant in the Jedae Agricultural Industrial Complex in Miryang, Gyeongsangnam-do Province. We launched the convenience meal replacement brand 'Market O NATURE' in 2018.

Market O NATURE is convenient meal replacement (CMR) launched to allow busy people to have a simple meal anytime anywhere without any restrictions. Eleven types of 'O!Granola' and three types of 'O!Granola Bar,' which are made with whole grains and natural ingredients, such as whole oatmeal, whole wheat, rye, and domestic rice, are on the market. In particular, as the demand for granola as a meal replacement has increased significantly as health-conscious trends continue, annual sales of Market O NATURE recorded USD 6.7 million in the first year and reached USD 17.0 million in 2022. As such, its sales have grown nearly three-fold in four years since its launch. With the market share of granola products surpassing that of Kellogg's Corn Flakes in the domestic cereal market, Orion is leading the growth of the granola product markets by releasing a variety of differentiated products using carefully selected ingredients.

O!Granola is made with only whole-grain granola and large natural ingredients without corn flakes. We produce granola with whole grains such as flour, oats, whole wheat, and rye processed from domestic rice at the Orion Nonghyup factory to offer a variety of products to suit the tastes of consumers, which raise consumers' trust in the products.

In line with the changing trends, we increased the contents of whole grains and natural ingredients of 4 types of 'Market O NATURE O!Granola' products without increasing the price in 2021, and enhanced the savory taste using unrefined cane sugar. O!Granola Fruit, Black Bean, Protein Nuts Caramel Flavors have more content of domestic apples, beans, and whole almonds, and O!Granola Cacao



Four types of O!Granola Products

flavor has increased the content of lactobacillus balls and Miz Black to give a popular taste loved by both men and women of all ages.

In addition, we launched the 'O!Granola Pop' series, targeting consumers who want to enjoy granola as a meal. We added five-grain balls with a light texture to popular flavors such as chocolate, cranberry, and brown rice so that the whole family can enjoy. In 2023, we will launch a honey oat flavor, broadening the range of choices for consumers.

While the 'O!Granola Protein Nuts Caramel Flavor' is popular among consumers who are willing to invest in health and fitness, the second lineup 'O!Granola Protein Nuts Chocolate Flavor' was released. If you eat 50g of the product with 250ml of milk, you can consume 18g of protein, equivalent of 3 eggs, which allow you to easily enjoy taste with nutrition. With the increasing public interest in protein, we expect it to gain even greater popularity.

Three types of O!Granola bars with enhanced portability such as 'Protein Bar,' 'Lactobacillus Bar,' and 'Iron Bar' are being well received in the market. Nutrient balls such as 'Milk Protein Ball,' 'Strawberry Lactobacillus Ball,' and 'Chocolate Iron Ball' are added to enhance nutrition according to the characteristics of each product. In addition to nuts, we added 11 types of vitamins and minerals to various raw materials, including whole grains such as whole oats, brown rice, and domestic rice. It is becoming a must-have item for the bags of students and office workers because it can easily replace meals anytime, anywhere.

Going forward, Market O NATURE plans to lead the expansion of the domestic granola market as a CMR brand by developing various new materials, releasing new products with enhanced nutrition plan, and delivering honest and healthy taste of natural ingredients. In addition, Orion will also assist in increasing exports of South Korean farm products by advancing into overseas markets such as China, Vietnam, and Russia. In particular, demand in China is expected to rise, due to the high level of trust that the Chinese consumers have in food produced in South Korea and increasing interest in health foods as well.

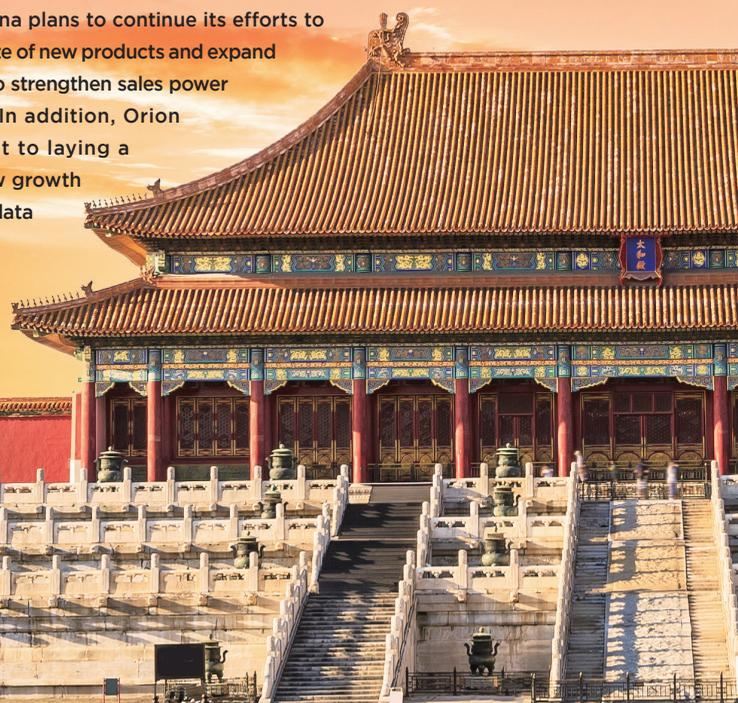
# CHINA

## Continuing to Develop Products customized to the Chinese Market

Orion China, which has the largest market share in China's pies market, released Choco Pie milk flavor with a differentiated melt-in-your-mouth texture in 2022, becoming a hit loved by consumers. 'Songsong Lowsong Dangao', entering the substitute food market, is leading the brand growth with a salted egg flavor. In particular, a product expressing traditional Chinese culture in collaboration with the 'Dunhuang' museum not only was highlighted by major media and consumers, but also improved brand preference. We expanded the market share and display area of snack products, taking advantage of competitors' price increase, making rapid growth based on price competitiveness. Popular brands such as Oh!Gamja, Ye Gam, and Swing Chips are expanding their sales with the release of series of snacks with natural ingredients and with 'healthier' value. Guo Zi Guo Xin, which is gaining popularity as a 'Wanghong (Chinese online influencer)' snack among young consumers with 'peeled fruit jelly', recording more than doubled annual sales growth. boosted by the expansion of new flavors such as lychee and passion fruit flavors.

Last year, Orion China led the growth through various efforts, such as expanding the number of stores and display area, improving small and medium-sized stores, and fostering channel management professionals, and succeeded in controlling price increases and creating positive feedback in the market by concentrating resources at the company level and utilizing big data.

In 2023, Orion China plans to continue its efforts to raise the success rate of new products and expand sales of pies, and to strengthen sales power by utilizing POS. In addition, Orion China will commit to laying a foundation for new growth by strengthening data management capabilities and enhancing our brand image.



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**Langfang Green Eco Packaging**  
No. 6 Yueyang Road, Langfang Economic & Technical Development Zone, Langfang, Hebei Province, 065001, China  
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### 2022 Sales in China

USD **986.8** million

### Operating Profit

USD **163.7** million

## Products in China



### Hao Li You Pai A Good Friend

Hao Li You Pai, which introduced the new category of 'Pie' to the confectionery markets and established as a unique brand in China, is one of Orion's bestsellers in China. The name, which means "A Good Friend" in Chinese, appeals to consumers in the pie market because of its connection with the Confucian ideal of caring for other people. In 2022, Orion China released Choco Pie milk flavor (好朋友派醇厚牛乳味), which is well received by young consumers for its soft and melting texture.

### Ya! Tudou Amazing Pure Potatoes

Ya! Tudou is steadily gaining popularity thanks to its super crispy and soft texture, catchy brand name and great taste. First launched in 2006, it has become a representative Chinese potato snack showing continued growth. Ya! Tudou is available in tomato flavor, steak, honey butter, chicken flavor, etc., and with the launch of various products such as star-shaped potato sticks 'Ya! Tudou Cui Cui Xing (呀!土豆 脆脆星)' and sweet sugar coated 'Ya! Tudou Hong Sui Cui Su Tao(呀!土豆 红薯脆薯条)', Orion China has secured product competitiveness. In 2022, Orion China expanded its product lineup by releasing a new raw material series product, Seaweed & Rou Song flavor (Rou Song: dried shredded chicken).



### Hao You Qu Delicious Wave-Shaped Chips

Hao You Qu, cut into ridges and then marinated has a crispy texture with a tantalizing mixture of natural flavors and spices. 'Hao You Qu' means 'It's funny' in Chinese. It uses the same name to provide an 'interesting' texture and taste. In 2022, new raw material series with salt, seaweed, and grapefruit flavors with a refreshing taste on a thin raw potato chip were released, and they are loved by consumers.



**Shu Yuan**

The Ultimate in Baked Potato Chips

Shu Yuan is a new-concept potato chip. Because it is baked rather than fried, it is not as greasy or fattening as regular potato chips. Having two meanings of 'Tell me your wish,' and 'Wish of potato,' Shu Yuan has quickly become a hit with young consumers. While original flavors, tomato flavors, and steak flavors are gaining popularity, Orion China launched a new rose flavor (collagen added) that reflects the health consumption trend.



**Hao Duo Yu**

A Fun-Filled Tasty Snack

Hao Duo Yu potato crackers are a favorite with Chinese people because of their fish-like shape and crispy texture. The name, which means "a lot of fish" in Chinese, when coupled with the advertising slogan, "Having a Hao Duo Yu helps you keep your chin up," has made the product a hit receiving a great response from children and their mothers.



**Q Di**

A Multilayered Chocolate Cake

The brand name Q Di, a dessert chocolate cake, transliterates the English word "cute" into Chinese characters. Released in 2004, it is a premium level, multilayered cake that is especially popular among women because of its soft texture, its chocolate fragrance, and its sweet, mocha and hazelnut cream taste. 'Q Di Pie Red Velvet', which combines fresh strawberry cream and sweet chocolate, is also loved by consumers.



**Mo Gu Li**

Stirring Your Imagination

The name Mo Gu Li, which combines the Chinese words for 'mushrooms' and 'chocolate,' is a mushroom-shaped product topped with chocolate on the biscuit. Since its launch in 2004, with its cute chocolate mushroom heads shape and crispy biscuits, it is consistently popular with consumers. In 2020, Orion provided more delicious products to consumers by upgrading quality with real-type chocolate.

**Guo Zi Guo Zi & Guo Zi Guo Xin**

Soft and Cute Fruit Jelly

In 2019, Orion launched Guo Zi Guo Zi (My Gummy), a fruit jelly with a rich fruity taste, chewy texture, and cute shape containing 50% fruit juice. Guo Zi Gui Zi has achieved rapid growth in sales based on differentiated product power and Guozi Guosin, a double-textured fruit jelly with chewy skin and flesh of fruit was launched in 2021 and it has become a representative fruit jelly brand in the Chinese jelly market. In 2022, Orion China diversified its product lineup by adding lychee and passion fruit flavors to the existing red and green grape flavors.



**Lang Li Ge Lang**

Four-Layered Crispy Snack

Orion launched the four-layered snack 'Rangri Ge Lang' in 2018, achieving great success. Rangri Ge Lang is very popular among consumers because of its all-new differentiated crispy texture and sweet corn taste. In addition to the original corn soup flavor, the Mala Shrimp flavor is steadily loved by consumers.

**Songsong Lowsong Dangao**

Nutritious Fluffy Cake

Songsong Lowsong Dangao is a product that contains lou song (dried shredded chicken), a food loved by the Chinese. It is gaining popularity as CMR for its differentiated taste and nutrition. In 2022, Orion China expanded its product lineup by releasing a salted egg flavor following the launch of the existing original flavor.



**Dr. You Nut Bar**

Easy Nutrition Supplement

In 2020, Orion entered the Chinese nutrition bar market by launching two products; Dr. You Protein Bar and Energy Bar. Thanks to its higher nut content and higher value for price compared to competitors, it is receiving a good response from the local market. In line with consumer trends that value health and nutrition, Orion plans to expand its product lineup and increase its market share.

# VIETNAM

## Surpassing USD 309.6 million in Annual Sales

Despite the global inflation crisis last year, Orion Vietnam continued to grow, surpassing USD 309.6 million in annual sales for the first time since its incorporation in 2005. Differentiated sales capabilities enabled the subsidiary to significantly increase sales of all products such as raw potato snacks and pies, and the subsidiary continues to expand new categories such as rice crackers, meal replacements, and jelly. In particular, 'Choco Pie,' the flagship pie of Vietnam in name and reality, released 'Molle,' and 'Watermelon' flavors, which were launched targeting the local generation Z, became a great hit in the market, exceeding USD 77.4 million in sales; and sales of 'Custas (Custard in Korean)' increased by 40% year on year thanks to the popularity of 'C m,' a new product that incorporates traditional Vietnamese food, showing the height of its success.

## Reinforcing New Market Exploration and Expanding Investment

In 2023, Orion Vietnam plans to focus on strengthening its sales capabilities by actively exploring new distribution partners and promoting business-to-business (B2B) sales, which are in high demand for bulk purchases. Orion Vietnam plans to build a new production shop in the Hanoi plant and expand the Ho Chi Minh City plant to preemptively respond to the increase in sales volume boosted by improved local income levels, and it is also pursuing construction of a third plant.

### ORION in Vietnam

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**Yen Phong Factory**  
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### 2022 Sales in Vietnam

USD **366.0** million

### Operating Profit

USD **69.5** million

# Products in Vietnam



### Choco Pie

Vietnamese Favorite

Choco Pie has captured a 67.8% share of the pie market (as of the end of 2022) solidifying its position as the national Choco Pie. Not only is it a delicious snack, but it is also popular as a small gift that expresses affection between loved ones.

### An

Well-Baked Rice Cracker

Vietnam, famous for its rice noodles, is the world's fifth-largest rice-producing country where rice is grown all-year-round. Rice is a familiar and reliable material that is part of the genes of the Vietnamese people. Orion rice cracker 'An' is well loved by consumers with the concept of 'well baked with meticulously selected fresh rice', and it emphasizes the brand value of 'safety' by using the brand name 'An'. In 2022, 'An Sesame rice cracker' was released to expand the product lineup.



### C'est Bon

Enjoy it for Breakfast

C'est Bon was launched in 2019 aiming at the breakfast replacement market in response to changing consumer lifestyles. C'est Bon means 'It's good/ delicious' in French, emphasizing the distinctive features of its bakery style. It has positioned itself as a breakfast substitute that can be enjoyed by everyone, regardless of age or gender, with the chewy meat texture added by salty chicken.

Last year, Orion Vietnam launched a grilled chicken sandwich flavor that can be easily enjoyed, thus broadening the range of choices for consumers.



**O'Star & Swing**

Vietnam's No. 1 Raw Potato Snack

Potato snacks continue to grow in popularity as modern snacks are taking center stage along with the lifestyle changes of young people. In the potato snack market, where supply and demand for raw materials and quality control are important, O'Star and Swing are proudly leading the market ahead of its global competitors. 'Swing' is becoming a popular potato snack among teenagers, with its crispy texture and dark and deep flavor of sliced potato.



**Custas**

The Nutritious Pie That Tastes Like its Homemade

These Custas cream-filled soft custard cakes have such a homemade taste, thus capturing a growing market share. It is now a common practice in Vietnamese households for a mother to put Custas into a school bag for her children a popular family treat made of good ingredients and reflecting her warm heart.

**Masita**

Kkobuk Chips in Vietnam

Kkobuk Chips, which became a hit in Korea, China, the United States, Australia, etc., began production in Vietnam in March 2023 and was released under the product name 'Masita.' Masita, which intuitively expresses the Korean word 'delicious' considering the Korean Wave, is a crispy 'four-layered snack' that features a rich texture as if eating several single-layered snacks at once, and the savory flavor of corn as seasoning permeates each layer. We expect that it will captivate the taste of young people with differentiated and brand new flavors.



**Goraebab & Jungle Boy**

Eating Fun and Taste

Goraebab & Jungle Boy are baked, not fried, snacks. They are healthy snacks that embody the underwater world and the age of dinosaurs that children love in the shape of a colorful snack.

**Goute & Marika & de Marie**

premium biscuits

Goute is gaining huge popularity for its differentiated taste and texture, and in particular, the 'Goute Nuts' lineup containing five types of nuts is receiving good responses from young female consumers. Marika is made with the premium butter from New Zealand, being loved as a gift. de Marie is a biscuit for tea that has been popular around the world since its first release in Europe in the 19th century, and it is featured by a rich milky flavor.



**BOOM Jelly**

Sweet and Sour Taste Bursting in a Mouth

Boom Jelly, which contains 30% real fruit juice, is a product that considers the taste and health of Vietnamese children and that is loved by many for its chewy and soft texture. Last year, 'Boom Jelly Green Mango Chili Salt flavor' with a chili salt seasoning pack reflecting Vietnamese food culture made headlines among local consumers. It is expected to grow as a representative jelly brand that is chosen by mothers in in the rapidly growing jelly market.

**Chop Chop**

Street Food in a Bag

Chop Chop is a snack that delivers the taste of familiar Vietnamese street food, such as grilled skewers and grilled dried fish fillet, with a crispy, melt-in-your-mouth texture. With abundant amount and affordable prices, it has become a popular snack among Vietnamese teenagers, who mainly enjoy street food.



# RUSSIA

## Newly Constructed Tver Plant to Exceed USD 154.8 million in Annual Sales

'Choco Pie' has positioned itself as one of the Top-5 brands in the Russian confectionery market. In order to meet the ever-growing demand, Orion Russia built new Tver factory in 2022 to add production of Choco Pie by more than 4.3 million boxes per year. The new factory in Tver, which is six times larger than the existing one, is equipped with a production capacity of up to USD 154.8 million per year with more than 1 billion Choco Pies. The new factory will be used as the cornerstone for expanding the market to Eastern Europe and EU countries as well as the outpost for Russia which has a USD 8,514.3 million confectionery market. This will enable Orion to make a 2nd leap as a global company through full-scale entering into the Eurasian market.

## Expanding Investment and Advancing into New Categories

In order to enter the premium pie market, Orion Russia launched caramel, mak (poppy seed) and coconut flavors differentiated from existing jams in 2022. Orion has built a product lineup of 14 Choco Pie flavors such as Choco Pie blackcurrant, mango, cranberry, apple cinnamon, dark, chocolate chip, raspberry, cherry, driving high sales growth.

In 2023, Orion Russia will release fresh pie solidifying its leading position as No. 1 pie maker in the Russian market. At the same time, we plan to continue high growth by entering a new category of jelly through our new plant in Tver.

### ORION in Russia

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**Tver Factory**  
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**Novosibirsk Factory**  
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### 2022 Sales in Russia

USD **162.4** million

### Operating Profit

USD **26.9** million

# Products in Russia



## Choco Pie

### A Russian Favorite

Choco Pie has been a favorite of Russian consumers for more than 30 years since its launch in 1993. Choco Pie fits well with the Russian people who like to eat it with tea, and it has particularly been enjoyed by Russian people thanks to the continued localization strategies and continued quality improvement.

As part of our quality-improvement efforts, preservatives, synthetic colors, and MSG are not used at all when making Choco Pie, and the distribution quality has been improved so that it can be stored for a long period without preservatives through Orion's own technology and individual packaging method. We added vitamin B2/B6/E and minerals such as calcium, iron and iodine to enhance nutrition.

In 2010, Orion became the first company in Russia to carry out a voluntary inspection of its products regarding the presence of GMOs, declaring that no artificial additives were added to them. A year later, Orion adjusted the nutritional balance of its products to make them more suitable for breakfast. The company also obtained a zero trans-fat certification in 2012 and a Food Safety System Certification in 2014 from the Global Food Safety Initiative.

From 2019, in addition to the original flavor, Orion has expanded the range of consumer's choices by releasing differentiated products using 'jam' for 'Cherry', 'Blackcurrant', and 'Mango' Choco Pies, which are familiar to local consumers. In 2022, with the launch of Choco Pie Dark Caramel flavor with caramel, Mak (poppy seed) flavor which is most enjoyed by Russian consumers, and Coconut Cream flavor with unique Raffaello, Orion Russia has produced and sold Choco Pie in 14 flavors, which are the most diverse flavors among the Orion's subsidiaries.

Going forward, Orion Russia plans to strengthen its position as a leading brand in the market based on the consumers' trust in quality.

### Choco Boy

Inspiring People's Imaginations

Although Choco Boy's crispy-tasting, mushroom-shaped biscuits are topped with chocolate, they are just as healthful as they are tasty. In 2022, in addition to the existing milk chocolate flavor, caramel flavor, blackcurrant flavor and mango flavor, strawberry yogurt flavor was newly launched.

We also plan to nurture Choco Boy Safari which contains sweet chocolate inside cookies as a separate brand by adding two new flavors, coconut and strawberry yogurt, to the existing milk chocolate flavor and banana flavor.



### Goute

Thin Cookie Cracker with Reduced Calories

'Goute' is a thin cookie-shaped cracker that has a unique sweet and salty taste, almost melting in the mouth. Since its launch, it has been especially popular among young female working in the office due to its reasonable price range. In addition, Orion has succeeded in realizing the mocha coffee taste, which is continuously loved by consumers along with Goute Original flavor.

### Tender and Soft (мягкое печенье) Choco Chip Cookies

Filled with Real Chocolate Chunk

Since 2019, Orion has produced and supplied tender and soft (мягкое печенье) Choco Chip Cookies, a perfect cookie for tea, considering Russian culture to enjoy tea time with family or friends. In cooperation with Belgium's famous 'Cargill Chocolate', we succeeded in developing a 100% real chocolate chunk appealing to Russian consumers, and launching a sub-brand with high-quality Dutch orange peel.



### CRACK IT

A Crispy, Soft Texture that Melts in Your Mouth

'CRACK IT,' a cracker with a crispy texture, was released in two types: 'fresh cream flavor that melts in your mouth,' and a 'sweet coconut flavor with plenty of coconut'. We succeeded in giving a crispy and soft texture when put in the mouth, and we designed products in small packages of five pieces to increase portability.

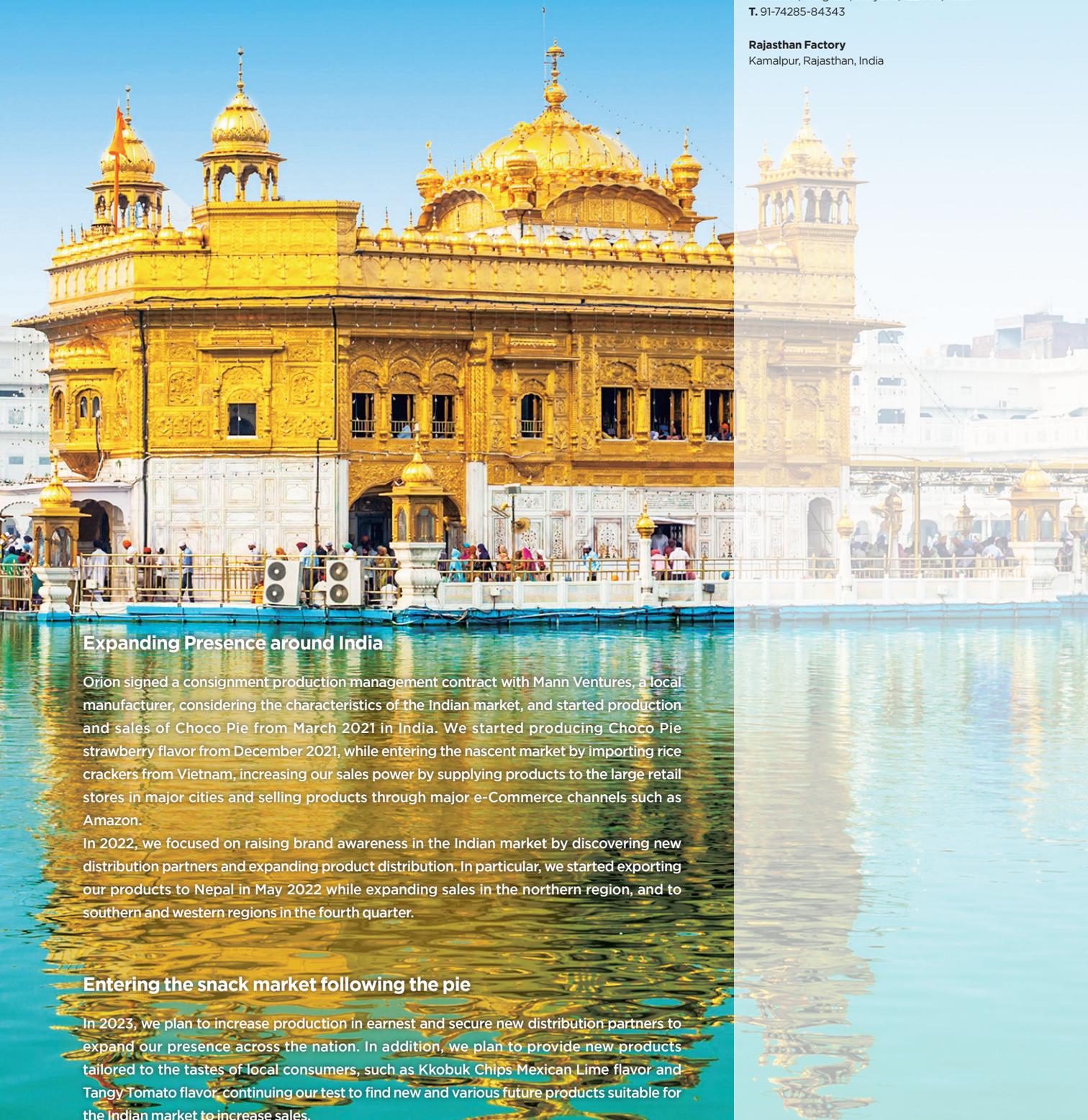


### Mr. Bagetti

Unique Texture of Baked Bread

There are two kinds of flavors of 'Mr. Bagetti' twice baked in the oven: 'Onion Flavor,' which are seasoned with roasted onions and 'Garlic Basil Flavor.' It fits well with beer and beverages, and the quantity has been diversified into 80g and 180g to give more choice to consumers.

# INDIA



## ORION in India

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**Rajasthan Factory**  
Kamalpur, Rajasthan, India

### Expanding Presence around India

Orion signed a consignment production management contract with Mann Ventures, a local manufacturer, considering the characteristics of the Indian market, and started production and sales of Choco Pie from March 2021 in India. We started producing Choco Pie strawberry flavor from December 2021, while entering the nascent market by importing rice crackers from Vietnam, increasing our sales power by supplying products to the large retail stores in major cities and selling products through major e-Commerce channels such as Amazon.

In 2022, we focused on raising brand awareness in the Indian market by discovering new distribution partners and expanding product distribution. In particular, we started exporting our products to Nepal in May 2022 while expanding sales in the northern region, and to southern and western regions in the fourth quarter.

### Entering the snack market following the pie

In 2023, we plan to increase production in earnest and secure new distribution partners to expand our presence across the nation. In addition, we plan to provide new products tailored to the tastes of local consumers, such as Kkobuk Chips Mexican Lime flavor and Tangy Tomato flavor, continuing our test to find new and various future products suitable for the Indian market to increase sales.

# Products in India



## Choco Pie

Pie Road to India

After starting production of Choco Pie in India from March 2021, Orion is releasing Choco Pie using vegetarian marshmallows targeting a lot of vegetarian consumers in India. In the Indian market, where biscuits and snacks are the best-selling products, Orion is successfully establishing itself through its continuous localization strategy and efforts to improve quality. In November 2021, thanks to our experience accumulated in Korea, China, and Russia, we could release Choco Pie Strawberry flavor, which embodies the taste most preferred by Indian consumers. In April 2022, considering that India is the world top mango producer and consumer, we released Choco Pie Mango flavor, the most familiar taste, gaining popularity among local consumers.

## O'rice

Well-Baked Rice Cracker

O'rice, a rice cracker, was imported from Vietnam and sold in India from the first half of 2021. It is a brand new type of cracker, which gives brand image of a healthy product made from rice, receiving a positive response from consumers.



## Turtle Chips

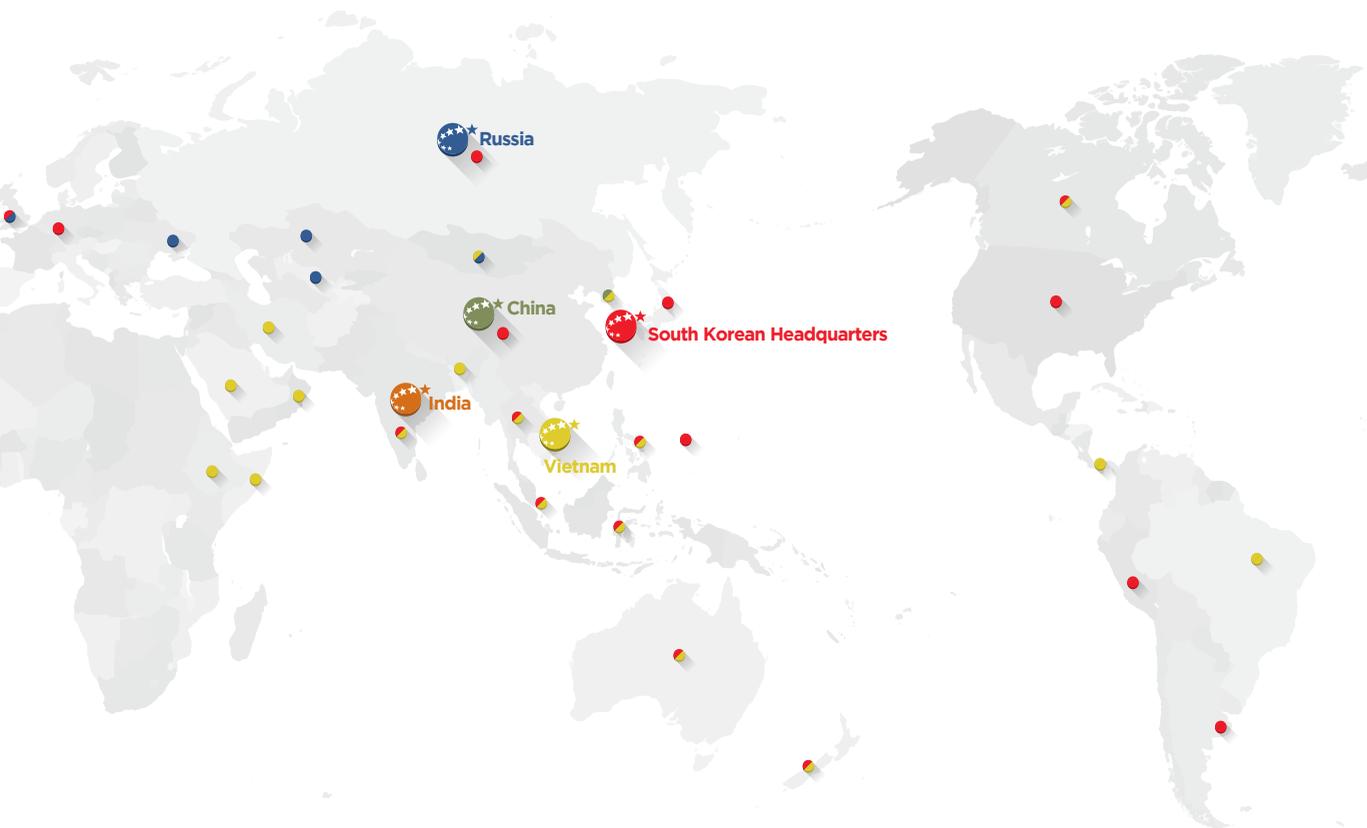
Four-layered snack with crispy texture

From December 2022, the Indian subsidiary imported and started selling Turtle Chips Hot Lime flavor produced for vegetarians by Orion Korea, targeting the Indian market. The Indian subsidiary started local production in February 2023, realizing the four-layered shape and crispy texture. At the same time, considering the local tastes, the Indian subsidiary released a total of five flavors: Mexican Lime, Sour Cream & Onion, Tangy Tomato, Masala, and Spicy Devil flavors.



# Global Sales Network

Orion exports its products to over 50 countries, including those of China, Vietnam, Russia, India, plus the Americas, Southeast Asia, and the Middle East. The company enhances its brand competitiveness by focusing on quality, innovation, and product diversification, including 'Choco Pie,' a steady seller, as well as 'star' products like 'Kkobuk Chips,' 'Goraebab,' 'Mygummy,' 'Oh!Gamja,' and 'Dr. You Jeju Yongamsoo.'



- South Korean Headquarters 
- Overseas production subsidiaries 
- Countries to which South Korea exports 
- Countries to which China exports 
- Countries to which Vietnam exports 
- Countries to which Russia exports 
- Countries to which India exports 

# Bio

Orion Holdings signed a joint venture agreement with 'Shandong Lukang Pharmaceutical ("Lukang")', a Chinese state-owned pharmaceutical company, in October 2020 and entered the Chinese pharmaceutical and bio markets worth USD 123,843.8 million. Orion Holdings and Lukang invested 65% and 35%, respectively, of total equity capital, and completed the establishment of 'Shandong Lukang Hao Li You Biological Technology Development Limited ("Lukang Hao Li You")' as a joint venture in March 2021 and has started to carry out the business in earnest.

Orion Holdings identifies excellent bio companies in Korea and serves as a partner for advancing into China. To this end, Orion is regularly holding the 'Korea-China Pharmaceutical and Bio Development Forum' with the participation of specialists in the pharmaceutical and bio fields in the domestic financial sector. The biotechnology explored at the forum are objectively evaluated for its technology and marketability by domestic and international bio-academic and medical experts from Korea, China, and Japan. Then Lukang Hao Li You Shandong Lukang Orion Biotechnology Development takes these technologies that passed the screening and undertakes a clinical trial, a licensing process in China, and then finally produce, sell, and market them locally.

## In Vitro Colorectal Cancer Diagnostic Kit

Orion Group signed a contract with a Korean in vitro cancer diagnosis company, 'Genomictree', on introduction of in vitro diagnosis technology for colorectal cancer in May 2021 through the Lukang Hao Li You. We will continue our cooperation for the commercialization of the product, while Genomictree provides technical support for clinical trial and licensing process in China. In November 2021, we completed the establishment of infrastructure (laboratory, production facility) for SOP of in vitro cancer diagnostic products in China, with the strategy to successfully introduce the technologies of excellent domestic bio companies, such as in vitro diagnostics for severe diseases, to the Chinese market, opening the 'era of K-Bio', strategically.

Production Facility of Lukang Hao Li You



## Tuberculosis Vaccine

Orion Group signed a contract with a multinational vaccine company, 'Curatis', for joint development of a tuberculosis vaccine in February 2022. With regard to tuberculosis vaccine development, we have formed a contract with Jining, Shandong Province, China, for 'support and cooperation on vaccine development projects in China' in July 2022, and have been supported by the local government in securing land and building production facility, as well as obtaining business licenses. In particular, the Chinese government has designated tuberculosis as a contagious disease under priority control. As such, national interest in tuberculosis is high, but there is no tuberculosis vaccine for adults. So expectation on the tuberculosis vaccine development project is high. Currently, we are building a state-of-the-art vaccine factory by investing USD 69.7 million with the goal of completion by the end of 2023, and we plan to start clinical trials upon its completion.

## Dental Disease Treatment

In November 2022, Orion Holdings concluded a joint venture contract with 'HysensBio,' a dental disease treatment development company, and established 'Orion Biologics,' a joint venture to carry out dental disease treatment business. Through Orion Biologics, we plan to secure the specialized treatment technology for dental diseases such as sensitive teeth, tooth decay, and periodontal disease owned by HysensBio, and develop products and conduct clinical trial for approval for commercialization in the Asian market. Going forward, we plan to enter not only quasi-drug industry such as mouthwash and toothpaste, but also food materials industry. In 2017, HysensBio succeeded in developing 'CPNE7-derived peptide,' which is the basis of the original technology for dentin and periodontal tissue regeneration, for the first time in the world, and registered patents in 11 countries including Korea, China, and the United States. Currently, we are undergoing phase 2a clinical trials. In particular, as peptides are harmless to the human body as one of the constituents of the body, we expect that we can complete the clinical trial in a shorter period than other new drugs, commercializing it earlier.





## Showbox Inc.

In 2022, Showbox released <In Our Prime> starring Choi Min-Sik and Kim Dong-Hwi, <Emergency Declaration> starring Song Kang-ho, Lee Byung-hun, Jeon Do-yeon, Kim Nam-gil, and Im Si-wan, and <Men of Plastic> starring Ma Dong-seok and Jung Kyung-ho. In addition, we have secured IPs of best-selling novels, popular webtoons, and web novels, which have infinite potential, and have expanded our business by producing series such as 'Murderer o Nan Gam' written by Kkomabi and 'The Witch' written by Kang Full. Through various distribution strategies, we have successfully released contents at Showbox domestically and internationally. Emergency Declaration, which was distributed in 184 countries overseas, was also released through Coupang Play, captivating those who downloaded the movie at home. <Yaksha: Ruthless Operations> starring Sol Kyung-gu and Park Hae-soo was released worldwide on Netflix for its global fans. <Moon Man>, a Chinese film that was planned and produced by Showbox, took second place at the local box office in 2022 (grossed over Yuan 3.15 billion), recording an explosive box office hit.

In 2023, we plan to release films in various genre such as <Ransomed> starring Ha Jung-woo and Ju Ji-hoon. The movie is about a young diplomat who was kidnapped in Beirut, Lebanon in 1986 and the people who went out to rescue the kidnapped diplomat, and <Citizen of a Kind>, a story about an ordinary citizen 'Duk-hee(Ra Mi-ran)', who makes up her mind to arrest a member of organized crime group after becoming a victim of a voice phishing scheme, and <Our Season>, a fantasy drama about a miraculous three days of daughter and mother who comes back from the afterlife.

In addition, we plan to produce attractive series including < Murderer o Nan Gam> to be released on Netflix to grow further as a global multi-content studio.

• **SHOWBOX Corp.**

• **Major Interests**

Film Distribution, Film Investment/Production, Foreign Film Import, Overseas Theater Operations, Online Business, Global Contents Business, and Drama Production Business, etc.

• **Address**

310 Dosan-daero, Gangnam-gu, Seoul, Republic of Korea

• **Tel**

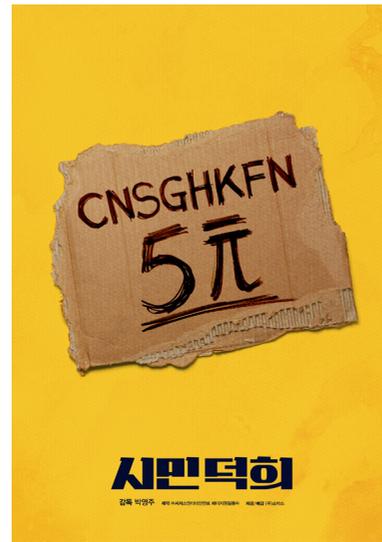
82-2-3218-5500

### Selected 2023 Line-up



• **Ransomed**

The movie <Ransomed> is a story about a diplomat kidnapped in Beirut, Lebanon in 1986 and the people who came out to rescue him. Top stars Ha Jung-woo and Ju Ji-hoon, who are active in movies, series, and entertainment sectors, starred in, and Kim Seong-hun directed the film. Director Kim Seong-hun is drawing attention for his third film made in cooperation with Show Box followed by his first film <Peace Breaker>, which was released in 2014 and drew over 3.45 million viewers at the box office and was invited during the Directors' Week at the Cannes International Film Festival and recognized for both its workability and popularity, and <Tunnel>, a movie that succeeded in drawing 7.12 million viewers in 2016.



• **Citizen of a Kind**

Film <Citizen of a Kind> is a pleasant story about an ordinary citizen 'Duk-hee', who rolled up her sleeves to take on a voice phishing investigation after becoming a victim of a voice phishing scheme. Actress Ra Mi-ran, who brought pleasure to the audience through the movie <Honest Candidate>, starred as citizen 'Duk-hee', a heroine. In addition, <Citizen of a Kind> starring Gong Myung, Yeom Hye-ran, Park Byung-eun, Jang Yoon-ju, Lee Mu-saeng, and Ahn Eun-jin, who were loved by audience for their outstanding acting ability, will give excitement and thrill. The film was directed by new director Park Young-ju, who was invited to the Cine Foundation section of the Cannes International Film Festival for her short film 1 Kilogram being recognized for her skills.



• **Our Season**

<Our Season> is a fantasy drama about a miraculous three days of daughter and mother who comes back from the afterlife. <Our Season> will touch the hearts of the viewers who are tired of everyday life. The story that unfolds against the background of a quiet rural village will give a moment of a warm relaxation. Actress Shin Min-Ah, who has shown solid competency as actress regardless of genre, and Kim Hae-Sook, a renowned actress who constantly shows new performance, starred as mother and daughter. The performance of the two actresses, who portray relationship between an ordinary mother and daughter who are repeating antagonism and reconciliation, draws a lot of sympathy.

## Orion Tennis Team

• **Main achievements**

- Earned ATP world ranking points in August 2022 (Kim Jangjun)
- Sponsored ITF Orion Dr. You Cup Changwon Men's Tennis Tour in August 2022
- Won ITF J2 New Delhi International Junior Tennis Tournament singles champion, doubles runner-up (Kim Jangjun) in January 2023
- ITF J2 Kolkata International Junior Tennis Tournament singles champion (Kim Jangjun)

Orion founded the Orion Tennis Team to promote balanced development and revitalization of domestic sports in July 2022. The Orion Tennis Team has provided unsparing support and opportunities for its players so that the players can experience to stand on the world stage and ATP Tour competition, with the goal of discovering and nurturing promising players. At the ITF J2 New Delhi and ITF J2 Kolkata competitions held in January 2023, Kim Jangjun won two single titles in tennis game and one doubles competition, giving the team a winning trophy within just seven months.

• **Coaching staff**

The Orion Tennis Team is led by former national team coach Jeon Yeong-dai, who served as vice president of the Korea Tennis Association and won two gold medals while leading the national team during the Asian Games and supervised by Korea's legendary tennis player

Hyung-taik Lee, who advanced to the round of 16 at the U.S. Open, won the ATP Tour, and won gold medals at the Asian Games. Kim Sun-yong who won the Junior Australian Open, and served as 2021 Junior National Team coach joins the coaching staff with a lot of experience at home and abroad.

• **Players**

Upon foundation of the Orion Tennis Team in 2022, the team recruited Kim Jangjun, who has established himself as the 'Ace player of next-generation' of Korean tennis after winning the 2021 ITF J4 Osan, and Yanggu, and J5 Gimcheon International Junior Tennis Championships. This year, Yeonsu Jeong, winner of the 2022 ITF J4 Jakarta and J5 Yanggu International Junior Tennis Championships, and Kim Dong-min, winner of the 2022 ATF Yanggu and Lee Hyung-taik Championship join the team.

