

ATOMY ESG REPORT

Atomy Sustainability Report 2023

About This Report

Report Overview

This is Atomy's first sustainability management report. In the process of publishing this report, we reviewed and reflected on domestic and international ESG initiatives to communicate with a wide range of stakeholders, and included various activities across the commercial, environmental, and social sectors. At Atomy, we will continue to transparently disclose our sustainability management achievements and activities, striving to coexist with all partners.

Reporting boundaries

The reporting boundaries include Atomy and its domestic subsidiaries with more than 50% ownership, such as the Atomy headquarters in Gongju, Hongsamdan, Atomy Orot, Siloh Art, Aza. It also encompasses global regional offices, such as Atomy America Inc., Atomy China Co., Ltd., Atomy Japan Associated Company, Atomy India Enterprise Pvt. Ltd., Atomy Taiwan Co., Ltd. When systems for data aggregation are introduced at domestic business sites, some are limited to domestic business sites only. If the reporting boundaries are limited to domestic operations or includes only certain overseas branches, such specifications are highlighted within the text or footnotes.

Scope and Duration of Report

This report covers Atomy's activities and performance from January 1 to December 31, 2022, based on Atomy's fiscal year. For quantitative performance, we have included data from the last three years (2020 to 2022) so it is possible to see trends, and some data is presented as of the base year when compilation began. In addition, for some material sustainability activities and achievements, we have included information for 2023 to ensure the timeliness of our reporting. In the future, we will strengthen our communication with stakeholders through annual publications.

Report Preparation Criteria

This report was prepared in compliance with ISO26000, the international standard for corporate social responsibility, and the eight principles of Global Reporting Initiative (GRI) Standards 2021 for sustainability reporting: Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness, Verifiability. It also reflects the UN Sustainable Development Goals (SDGs), a global set of shared goals for sustainable development.

Corrections

As this is Atomy's first Sustainability Report, this is not applicable Report validation

In order to ensure the quality of this report and the reliability of the data, an independent third-party verifier performed verification procedures, and their verification opinion can be found in the Appendix.

Report publication date

September 2023

Related information

Atomy official website www.atomy.com

Contact information for report inquiries

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CEO Message



Hello, this is Han-gill Park, Chairman of Atomy.

As a global network marketing distribution company, our motto at Atomy is “Absolute Quality, Absolute Price,” and our goal is to benefit consumers around the world. The meaning of “Absolute Quality, Absolute Price” is to offer consumers a lower price for the same quality and a better quality for the same price. These policies have positioned Atomy as a global distribution company.

Atomy envisions a mutually beneficial relationship with all stakeholders, not only those related to our business activities but also those related to human rights, the environment, and local communities. We are pleased to present our first report on our progress and accomplishments so far.

The pandemic over the past three years has been a difficult time for the network marketing industry. For network marketing, which relies on distributor and consumer encounters to extend its reach, the harsh reality of social distancing, which made non-face-to-face interactions the norm, was a challenge in itself. Fortunately, Atomy was able to overcome this challenge and use it as an opportunity to further mature as a global company. As of 2022, Atomy operates in 26 countries around the world, including South Korea, and in 2021 our overseas revenue surpassed our revenue in South Korea.

As we have grown as a global company, we have come to realize the importance of sustainability. Our environment is not something to be used for a short period of time, but an asset to be passed on to the generations to come. Precisely speaking, it is not ours. It really belongs to the next generations and we are just borrowing it. For a sustainable natural environment, Atomy has implemented an “eco-friendly smart packaging solution” that significantly reduces delivery waste.

Through the implementation, we have achieved annual savings of more than 230 tons of plastic, and are currently changing to eco-friendly packaging for cosmetics and other products.

In 2021, we also launched a holistic support initiative with the international childcare organization “Compassion”, to help children escape poverty, natural disasters, and diseases until they become self-sufficient adults. We have also launched a collaboration with People for Medical Cooperation International (PMCI), a nonprofit organization that promotes development in underdeveloped regions through medical outreach. Atomy will continue to look for ways to help the underprivileged in a more fundamental way.

Atomy is committed to growing together with our society. We are implementing various support measures to ensure that Atomy’s growth is directly linked to the growth of our partnering companies. Examples include the principle of “1 Product, 1 Company”, cash payment within a week of delivery, and interest-free financing for working capital. This shared growth policy will further solidify our foundation, so we can continue to deliver better products to consumers.

Atomy will work to ensure that consumer-centered network marketing becomes the new norm in the industry. To this end, we will strengthen our distribution competitiveness and implement sustainable ESG management. We will also continue to communicate with all stakeholders, so we can share Atomy’s future values and grow together. For a better future, we will continue growing as a distribution company with sustainable operations that benefit consumers.

September 2023
Chairman of Atomy Co., Ltd.,
Han-gill Park

A handwritten signature in black ink, appearing to read 'HGP', written over a white background.



Atomy Co., Ltd.

Atomy is a network marketing* company and operates in 26 regions around the world, including South Korea. Since its founding in 2009, Atomy has been growing as a consumer-centered network marketing company. Customer success is its number one management goal, and the company has set up a foundation for sustainable growth based on “principle-first, shared growth, and a culture of sharing.” Atomy’s promise is to be a premier global distribution company that works in win-win partnerships with all stakeholders and pursues customer success with integrity and honesty.

* Network Marketing: A method of sales in which suppliers and consumer sellers with competitive goods and services sell directly to consumers, bypassing the intermediate distribution steps (Source: Korea Direct Selling Industry Association (KDSA))

Company Name	Atomy Co., Ltd.
Foundation Date	June 1, 2009
Founder	Han-gill Park
HQ address	2148-21 Baekjemunhwa-ro, Gongju-si, Chungcheongnam-do, Republic of Korea
Products sold include	health food, beauty, hair & body, living & home decor, home appliances, fashion, foods
Main business regions	26 countries, including the United States, Japan, Canada, Australia, and China (as of December 31, 2022)
Number of global employees	232 in Korea, 767 combined (as of December 31, 2022)
Sales	KRW 1,991.4 billion (as of December 31, 2022, based on total consolidated audit report sales and member general commissions)

Company Motto

We practice upright management to fulfill our mission of “a company that cherishes the spirit.”

Cherish the Spirit

Created in the image of God, we are an end in ourselves, the most valuable beings who could never be a means to an end.

Create the Vision

The most accurate way to predict the future is to plan it yourself. You must be able to manage your thoughts to create a future of your own design.

Follow the Faith

True faith is believing in what you cannot see. Belief in an unseen vision is the power to create a desirable future.

Serve in Humility

You must be able to serve in a humble way. If we remain humble even after we’ve achieved everything, full respect from others, on top of the honorable achievement, can be ours.

Founding Principle

We will practice sustainability based on our founding principles of being, speed, and balance.

- Being** Being is the first goal and the most important social responsibility of any organization, including businesses. To this end, we are making efforts in cost management, overall business management, and human resource management.
- Speed** Companies create added value through growth. We strive for shared growth with all stakeholders through precise direction and a quick response to the external environment.
- Balance** We seek to co-evolve Atomy with society and consumers through a balanced distribution of the added value created with all stakeholders.

Management Philosophy

Atomy’s vision is to be a premier distribution company that drives customer success with goodness and honesty. To achieve this, we will do our best to create customer success based on a distribution hub, the management objectives of a premier company, a principle-centered culture, mutual growth, and sharing.

Vision

A premier distribution company committed to customer success with goodness and honesty

Management Objectives

- Customer Success** We treat customers as an end, not a means. Customer satisfaction and the success of our customers beyond their expectations are our ultimate goals.
- Distribution Hub** We will distribute various goods and services with our strategy of finding and supplying products of absolute quality and absolute price anywhere in the world.
- Premier Company** Based on the philosophy that “goodness and honesty is the best strategy,” we will aim to become a premier company.

THREE CULTURES OF ATOMY

- Culture of Observing Principles** We act to benefit everyone in society by practicing universal human values.
- Culture of Growing Together** It’s about growing together for Atomy members, consumers, and communities.
- Culture of Sharing** This is how Atomy connects with and loves the world.

CORPORATE IDENTITY



ATOMY BLUE
PANTONE 2995C
C83 M1 Y0 K0 /
R0 G181 B239

The blue color symbolizes our people-centered focus on customer success and hope for the future.

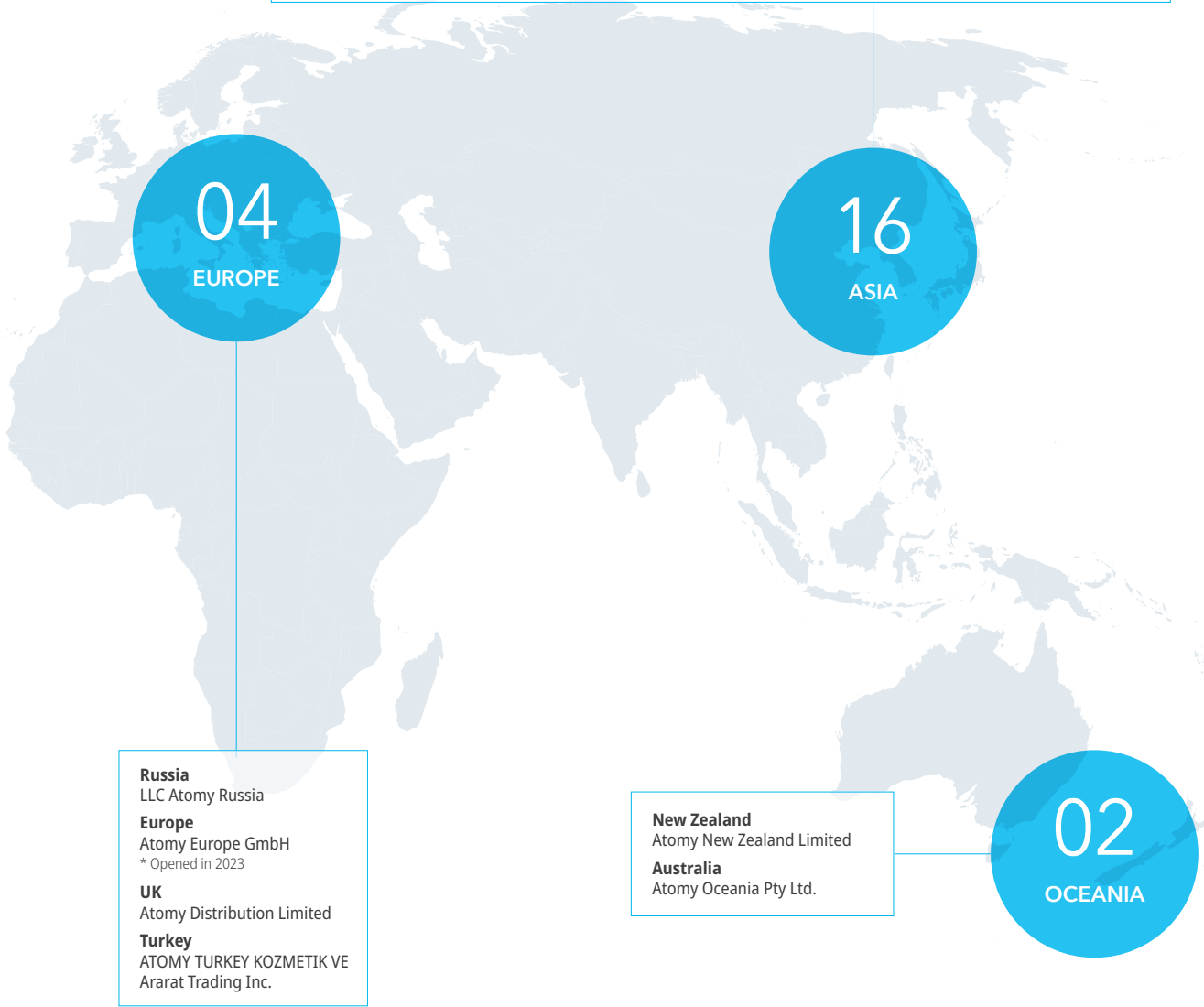
ATOMY WHITE
WHITE
C0 M0 Y0 K0 /
R255 G255 B255

The white color symbolizes Atomy’s clean product image. It also symbolizes purity, capturing Atomy’s spirit of transparency and honesty.

GLOBAL ATOMY

Starting with its entry into the United States in May 2010, the year after its founding, the company has a total of 26 local branches as of the end of 2022 and is emerging as a global distribution company. In 2022, we began official operations in Brazil, Uzbekistan, and Mongolia, and in 2023 we opened our EU office.

Korea Atomy Orot Co., Ltd, Siloh Art Co., Ltd, Aza Co., Ltd, Hongsamdan Co., Ltd. Taiwan Atomy Taiwan Co., Ltd. A1 Technology Co., Ltd. Indonesia PT. Atomy Indonesia Inc. PT. Atomy Indonesia Group China Atomy China Co., Ltd.	Hong Kong Atomy ASIA PACIFIC LIMITED Japan Atomy Japan Associated Company Malaysia Atomy Malaysia Sdn. Bhd. Singapore Atomy Distribution Pte Ltd. Thailand Atomy Co., Ltd. (Thailand) Philippines Atomy Philippine Distribution Trading Inc.	Cambodia Atomy Cambodia Co., Ltd. Mongolia GLOBAL ATOMY MONGOLIA LLC Uzbekistan ATOMY SILK ROAD India Atomy Enterprise India Pvt. Ltd. Kazakhstan ATOMY KAZAKHSTAN LLP Kyrgyzstan LLC Atomy Kyrgyzstan
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Russia
 LLC Atomy Russia
Europe
 Atomy Europe GmbH
 * Opened in 2023
UK
 Atomy Distribution Limited
Turkey
 ATOMY TURKEY KOZMETIK VE
 Ararat Trading Inc.

New Zealand
 Atomy New Zealand Limited
Australia
 Atomy Oceania Pty Ltd.

GLOBAL HISTORY

Founded in 2009, Atomy is on a mission to become the hub of global distribution, connecting every manufacturer and consumer on the planet.

- 2009 June Atomy Co., Ltd. founded
- 2010 First overseas expansion, opened USA office (Seattle)
- 2011 Opened Canada office (Vancouver) and Japan office (Tokyo)
 DECEMBER \$5 Million Export Tower Award presented to Atomy Korea
- 2013 DECEMBER \$10 Million Export Tower Award presented to Atomy Korea
 DECEMBER Total global members: more than 1.45 million (Korean subsidiary ranking first in the industry)
- 2014 Opened Taiwan office (Kaohsiung)
 DECEMBER Atomy Korea's HemoHIM surpasses KRW 100 billion in annual sales.
- 2015 Opened Singapore office (Singapore)
 DECEMBER \$20 Million Export Tower Award presented to Atomy Korea
- 2016 Opened Malaysia office (Kuala Lumpur), Philippines office (Manila), and Cambodian office (Phnom Penh)
 AUGUST Launched the first GSGS product
 DECEMBER \$30 Million Export Tower Award presented to Atomy Korea
- 2017 Opened Thai office (Bangkok) and a Mexican office (Mexico City)
 DECEMBER \$50 Million Export Tower Award presented to Atomy Korea
- 2018 Opened Russia office (Moscow), an Indonesia office (Jakarta), and an Australia office (Melbourne)
 FEBRUARY Received a Distribution Innovation Award from the Korea Distribution Law Association
 DECEMBER \$70 Million Export Tower Award presented to Atomy Korea
- 2019 APRIL Atomy Korea's HemoHIM surpasses 1 trillion in cumulative sales.
 DECEMBER \$100 Million Export Tower Award presented to Atomy Korea
 DECEMBER Atomy Korea receives the industry's first Consumer Centered Management (CCM) certification.
- 2020 Opened Indian office (Gurugram), Hong Kong office (Kowloon), a Colombian office (Bogota), and Chinese office (Yantai)
 December Atomy Korea awarded Brand Tower by the Korea International Trade Association
- 2021 Opened New Zealand office (Auckland), Turkey office (Istanbul), UK office (Guildford), Kazakhstan office (Almaty), and Kyrgyzstan office (Bishkek)
 NOVEMBER Atomy Korea won the King Sejong Award from the Korean Intellectual Property Office (Absolute CellActive Skincare)
 DECEMBER Atomy Korea certified for Consumer Centered Management (CCM) twice in a row
 DECEMBER \$300 Million Export Tower Award presented to Atomy Korea
- 2022 Opened Brazilian office (São Paulo), Mongolian office (Ulaanbaatar), and Uzbekistan office (Tashkent)
 FEBRUARY Japanese branch recognized for voluntary declaration of consumer-centered management
 APRIL Ranked among top ten global network marketing companies by DSN (Direct Selling News)
 SEPTEMBER HemoHIM surpasses 2 trillion in cumulative sales, becomes the No.1 dry food exporter in Korea.
 DECEMBER Atomy Korea won the Excellence Award for a CCM-certified company.

Mexico
 Atomy Global Mexico S. de R.L. de C.V
Colombia
 ATOMY COLOMBIA SAS
Brazil
 ATOMY DO BRASIL COSMETICOS LTDA

Product Portfolio

The company offers 553 products in seven categories, including beauty, hair & body, living & home decor, home appliances, fashion, and food, with health functional food, HemoHIM and Absolute CellActive basic cosmetics as its flagship products.

Health Food	HemoHIM, basic nutrition, functional ingredients, weight control and diet, kids, health-oriented
Beauty	Basic cosmetics, makeup, beauty devices/accessories
Hair & Body	Oral care, hair products, body care, hand/foot care, essential oil, kids & mom care
Living & Home Deco	Detergents, kitchenware, sanitary products & toilet paper, bathroom supplies, household items, home decor & bedding, pet products
Household Appliances	Home appliances, environmental appliances, beauty appliances, filters and consumables
Fashion	Clothing, underwear/innerwear, miscellaneous goods/shoes, goods
Food	Agricultural, fish & seafood, beverages, convenience foods, seasoning

* As of 2022

Atomy HemoHIM **First individually recognized health functional food developed by the Korea Atomic Energy Research Institute (KAERI)**

Developed as a national project of the Korea Atomic Energy Research Institute (KAERI) in 1997, HemoHIM passed the Ministry of Food and Drug Safety function and safety evaluation in 2006 and was registered as the first individually recognized health functional food ingredient that can help improve immune functions.

Cumulative sales of KRW 2.2 trillion, holds 16 global patents

Created by the Korea Atomic Energy Research Institute (KAERI) with eight years of development and KRW 5 billion in research funding, HemoHIM is loved by consumers around the world, including Korea, the United States, Canada, Australia, Malaysia, and Indonesia. It also holds 16 global patents, including patents in Korea, the United States, Japan, and four European countries.

It has now become a "global luxury health functional food"

HemoHIM, one of Atomy's best-selling products, achieved exports worth \$60.48 million in 2021, surpassing red ginseng, which had exports of \$48.32 million. This made HemoHIM the largest exporter of domestic health functional foods.* It has also been ranked No. 1 in the industry for nine consecutive years, living up to its reputation as a product leading the globalization of K-Health. HemoHIM, one of Atomy's most popular products, generates nearly KRW 300 billion in annual global sales. * Ministry of Food and Drug Safety 2021 Production Performance Data for Food and Others (released in 2022)

Increased quantity, decreased price, from 30 to 60 packets

By partnering with manufacturers, Atomy was able to reduce costs through mass production, reducing the original selling price by up to 20%. Since then, through mass production and higher consumption, the costs were further reduced, with the cost savings passed on to consumers by increasing the capacity from 30 to 60 packets.

Three Key Points of Atomy HemoHIM

Activation of immune cells	Cytokine production	Activation of NK cells
Refers to the activation of immune cells that improve the defense mechanism of the human body.	Refers to the production of mediators that play a central role in the immune system.	NK cells are produced in human bone marrow, and NK cell activity refers to the activation of immune cells that destroy cells which are harmful to the body.

Changes in Atomy HemoHIM



**Atomy
Absolute
CellActive
Skincare**

Received the first technology patent award for cosmetics, the King Sejong Award.

Launched in September 2017, the Atomy Absolute CellActive Skincare is a premium basic line made by upgrading the four technologies of the Skincare 6 System and adding two core technologies (material technology and transmission technology) and is another representative product with annual sales of KRW 100 billion.

Achieved 4 awards for the first time in the cosmetics industry

Atomy Absolute CellActive Skincare was the first cosmetic product to receive the 'King Sejong Award' from the Korean Intellectual Property Office, following the patent technology award 'IR52 Jang Young-shil Award' and 'NEP Certification'. The IR52 Jang Young-shil Award, named after Jang Yeong-sil, a leading scientist of the Joseon Dynasty, recognizes the research achievements of companies and awards one technology product per week for 52 weeks of the year. NEP certification stands for New Excellent Product and is given to carefully selected products that were developed for the first time in Korea or apply innovative improvements to existing technologies. Absolute CellActive Skincare is the second cosmetic product to receive NEP certification. In 2021, Atomy received the King Sejong Award in the patent and utility model category of the patent technology awards organized by the Korean Intellectual Property Office and JoongAng Ilbo. The Patent Technology Award is a system of awards given by the government through the Korean Intellectual Property Office by discovering patents that have made a significant contribution to industrial development among innovative new technologies or technologies with a high level of difficulty. Among these, the King Sejong Award is the highest-level award. In 2022, Atomy received the Next-Generation World-Class Product Award from the Ministry of Trade, Industry and Energy, a system that recognizes products and producers that have the potential to rank in the top 5 in global market share within the next seven years. We have proven Atomy's high level of technology and product quality by achieving four awards, including the IR52 Jang Young-shil Award, NEP Certification, the King Sejong Award, and the Next-Generation World-Class Product award.



IR52 Jang Young-shil Award
2020
Korea Industrial Technology Association, all 6 lines received awards



NEP Certification
2020
Korean Agency for Technology and Standards, first for ODM



King Sejong Award
2021
Korean Intellectual Property Office, first for cosmetics



Next-Generation World-Class Product
2022
Ministry of Trade, Industry and Energy, all 6 received awards.



Economic Performance

Despite the fact that the network marketing market, which had shown continuous growth since 2007, has been showing a slight decline since 2016, Atomy recorded its highest sales in 2022, achieving growth for 13 consecutive years. The number of global employees also stands at 767, contributing to job creation. In addition, after relocating our company headquarters to Gongju-si, Chungcheongnam-do, we have been contributing to the financial expansion of Gongju-si by paying a cumulative local corporate tax of KRW 22.4 billion from 2014 to 2022. In 2021, we won the \$300 Million Export Tower Award, the highest Export Tower Award for a company in Chungcheongnam-do.

Continuing growth

Atomy's global consolidated sales have grown more than 24 times in 12 years, from KRW 89.1 billion in 2010 to over KRW 2 trillion in 2022. In addition to growth, the operating profit ratio has also been recording double digit growth every year due to the reduction of fixed costs through improved management efficiencies. The operating profit ratio of Atomy Korea in 2022 was 11.5%, the highest operating profit ratio among the distributors within the top 500 companies in domestic sales.

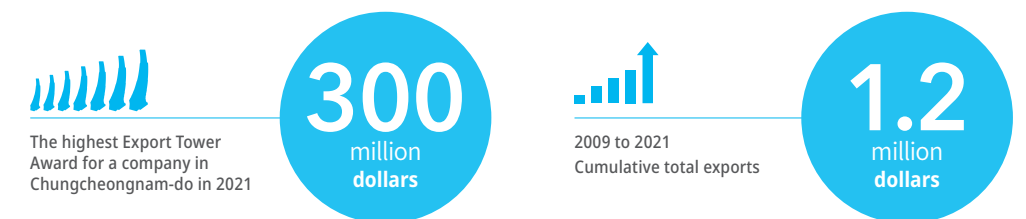
Operating profit ratio

Category	Operating profit ratio	Operating profit	sales
Atomy Korea	11.5%	KRW 142.1 billion	KRW 1,238.8 billion
Total of 45 distributors within the top 500 companies in domestic sales	1.5%	KRW 3,401.1 billion	KRW 224,642.3 billion

Standing tall as a global exporter

As the first Korean network marketing company to succeed in pioneering overseas markets, it is also aiding the domestic economy, which greatly relies on exports. Atomy is a consumer-centered network marketing company with 26 local branches as of the end of 2022. Starting with the \$5 Million Export Tower Award in 2011, the company has increased its exports every year, reaching \$10 million in 2013, \$20 million in 2015, \$30 million in 2016, \$50 million in 2017, \$70 million in 2018, and \$100 million in 2019 before winning the \$300 Million Export Tower Award in 2021. Since its founding in 2009, the company's cumulative total exports as of December 2022 have exceeded USD 1.2 billion, and in 2021, Atomy was awarded the \$300 Million Export Tower Award, the highest Export Tower Award for a company in Chungcheongnam-do.

Global Export Record



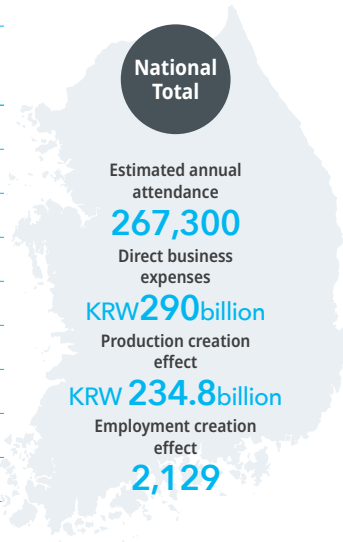
Taking responsibility of the local economy

Atomy's growth has had a significant impact on the economic development of Gongju-si, where Atomy's head office is located, as well as in each of the regions where the monthly Success Academy is held. In addition, the new building, completed in 2019, and the food cluster "Atomy Orot" are revitalizing the local economy of Gongju-si through visits by many Atomy members and new employment creation. According to Hanyang University Professor Sang-lin Han's "Economic Ripple Effects of the Distribution Industry", the Atomy economic ripple effect is KRW 4 trillion, including about KRW 3 trillion in production creation effects and KRW 1 trillion in added-value effects, and it has created employment for about 14,500 people. In addition, according to the Korea Tourism Organization MICE statistical standards, the regional economic ripple effect of holding Atomy seminars amounts to KRW 234.8 billion in production creation effects and an employment creation effect of 2,129 people.

Regional economic ripple effects of holding Atomy Seminars

Region	Estimated annual attendance	Economic impact (based on the K-MICE economic ripple effect calculation)		
		Direct business expenses	Production creation effect	Employment creation effect
Seoul	22,560	KRW 2.5 billion	KRW 19.9 billion	180
Incheon	18,000	KRW 2 billion	KRW 15.9 billion	144
Suwon	21,600	KRW 2.4 billion	KRW 19.1 billion	173
Gyeongju	34,560	KRW 3.8 billion	KRW 30.5 billion	276
Busan	12,800	KRW 1.4 billion	KRW 11.3 billion	102
Byeonsan	15,000	KRW 1.7 billion	KRW 13.4 billion	120
Hongcheon	21,600	KRW 2.4 billion	KRW 19 billion	173
Boeun	19,380	KRW 2.2 billion	KRW 17.2 billion	156
Gongju	64,800	KRW 6.6 billion	KRW 56.2 billion	510
Wonju	37,000	KRW 4 billion	KRW 32.3 billion	295

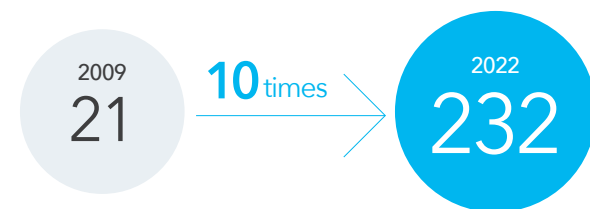
* Based on the Korea Tourism Organization MICE statistics



Be a job creator

The number of employees at the domestic headquarters was only 21 in 2009, but increased more than 10-fold to 232 at the end of 2022, and the number of employees at overseas branches was 468 at the end of 2022. In addition, the company is also striving to create indirect employment, with the number of employees employed by partnering companies reaching 10,121 by 2022.

Number of employees at the headquarters



Number of employees at overseas branches in 2022

468

Number of employees in Partnering companies in 2022

10,121

Governance and Board of Directors

Types of shares and voting rights

As of the end of 2022, capitalization amounted to KRW 1 billion, and the total number of issued shares was 200,000, consisting of 100% common shares with no preferred shares. In addition, the company follows the principle of one vote per share and does not have a differential voting right system. As of the end of 2022, 200,000 shares with voting rights were issued (100% of all issued shares).

Classification	Number of shares issued	Ratio
Preferred Shares	0 shares	0%
Common Shares - Shares with voting rights	200,000 shares	100%
Common Shares - Treasury Shares	0 shares	0%
Total	200,000 shares	100%

Governance and Board of Directors

The Board of Directors consists of four members, including three internal directors and one auditor, all of whom are elected by the shareholders' meeting. Mr. Han-gill Park is the Chairman of the Board of Directors, and there is one female internal director. The Board of Directors is the highest decision-making body for all management objectives, including ESG. The Board of Directors reflects on the material issues selected through the materiality assessment on its agenda, evaluates them, and seeks ways to improve. Atomy will continue to strive to ensure the happiness of all stakeholders and the continued growth of the company, by creating a transparent management environment so that various agendas related to ESG issues can be discussed through the Board of Directors.

Current status of the Board of Directors

Classification	Name	Gender	Age	Title	Specialty
Internal Director	Han-gill Park	Male	67 years of age	CEO, Chairman	General Management
Internal Director	Seung-gon Choi	Male	62 years of age	CEO	Global Business and Digital Innovation
Internal Director	Kyoung Hee Do	Female	65 years of age	Vice President	Organizational Culture and Social Contributions
Auditor	Seok-gyun Kwon	Male	58 years of age	Managing Director	Financial Accounting and Settlement

Status of Board of Directors operations

The Board of Directors meeting is held quarterly and convenes as often as necessary to deliberate and decide on major issues. In 2022, 24 board meetings were held, deliberating and deciding on 45 agenda items, with an attendance rate of 100%. In addition, major matters related to management changes in the operation of the board of directors should be notified at least 30 days in advance.

Status of Board of Directors operations

Classification	2020	2021	2022
Total Number of Board of Directors Meetings	35 times	25 times	24 times
Number of Agendas Discussed	66 cases	69 cases	45 cases
Attendance Rate of Internal Directors	100%	100%	100%
Attendance Rate of Auditor	100%	100%	100%

Communication with stakeholders

We define stakeholders as entities inside and outside the organization that influence or are influenced by management activities. Five groups of communication channels are operated: customers and members, employees, partnering companies, local communities, and government NGOs. Atomy is identifying issues of interest to stakeholders through communication channels and materiality assessments, and devising and implementing policy directions for these issues. The company identifies complaints or areas for improvement through the grievance counseling center for employees, who are internal stakeholders, and also collects conflicting opinions from external stakeholders such as customers, members, partnering companies, local communities, and government and NGOs, to seek ways of settling conflicting opinions. We will continue to listen to our stakeholders' opinions and actively incorporate them into our sustainability management.



Communication with Stakeholders

	Customers/Members	Employees	Partnering companies	Local community	Government-NGOs[g1]
Issues of interest	<ul style="list-style-type: none"> Product quality and safety Responsible marketing Enhancement of customer satisfaction and brand management Respect for human rights and diversity 	<ul style="list-style-type: none"> Employee empowerment Creating a good working environment A safe working environment Respect for human rights and diversity 	<ul style="list-style-type: none"> Strengthening cooperative and win-win policies and activities Transparent and ethical transactions with partnering companies Sustainability management of partnering companies Respect human rights 	<ul style="list-style-type: none"> Social contribution and shared growth for the local community Protect local community environment Vitalize local economy Employment creation 	<ul style="list-style-type: none"> Social contribution and shared growth for government and NGOs Plastic-free and carbon neutral Compliance Indirect economic effect
Communication channels (frequency)	<ul style="list-style-type: none"> Corporate site, shopping mall (frequently) Channel Atomy, Social media (frequently), Atomy Ticket (frequently) Various seminars such as Success Academy (at least once a month) Leaders and global leaders conference (twice a month) Customer Happiness Center (frequently) Ethic committees (once a month) 	<ul style="list-style-type: none"> Monthly meeting (once a month) Strategy meeting (once a week) Team leaders meeting (once a week) Atomy College (at least once a year) Global Business Division weekly meeting (once a week) Global product committee (once a month) 	<ul style="list-style-type: none"> Meetings with partnering companies (once a year) Partnering companies marketing forum (once a quarter) Regular meetings with partnering companies (once a week) 	<ul style="list-style-type: none"> Meetings with local councils (frequently) Local media outlets (once a year) 	<ul style="list-style-type: none"> Conversation with stakeholders (once a month) Collaborations and sponsorships (frequently)
Communication details	<ul style="list-style-type: none"> Provide company, product information and news Provision of various contents related to company, products, corporate social responsibility, etc. Provision of seminar information and application service Provide corporate and business information Provide corporate information to leader members Receive and respond to customer inquiries Member feedback channels 	<ul style="list-style-type: none"> Monthly meeting and sharing company information Sharing key strategies Exchange of key tasks between departments Internalization of corporate value Share major issues within teams in Global business department Exchange of product development contents between management and employees 	<ul style="list-style-type: none"> Share Atomy vision, policies, ethics, and culture Trend PT talks with Atomy and partnering company management Exchange opinions related to product development 	<ul style="list-style-type: none"> Exchange cooperation measures and support vulnerable groups in the region Meetings with local journalists 	<ul style="list-style-type: none"> Planning for co-operation with relief efforts for overseas children Support single mothers and support building community centers Sharing social welfare information and planning for cooperation National disaster prevention and relief

Stakeholder Survey

From March 25 to 29, 2022, a survey was conducted targeting 213 internal and external stakeholders to assess Atomy's sustainability performance and gather stakeholder feedback for establishing a sustainability strategy. The survey included information on the importance of each issue and an activity evaluation based on 32 major issues selected through a materiality assessment. The survey result indicated that the company was actively engaged in activities such as social contribution and shared growth with government and NGOs, and the local community, receiving a score of 4.35 or higher. Atomy will strive to incorporate the key issues selected through the response into our overall sustainability management.

Issues of interest and communication content for each stakeholder	Evaluate sustainability key issue activities (out of 5)	Importance of key sustainability issues (out of 5)
Social contribution and shared growth	4.48	4.48
Carbon neutrality (greenhouse gas reduction)	4.49	4.49
A safe working environment	4.50	4.50
R&D, empowering innovation	4.50	4.50
Establish a company-wide risk management system	4.50	4.50
Expanding the development of eco-friendly products	4.52	4.52
Employee empowerment	4.53	4.54
Encourage sustainable consumption culture.	4.53	4.53
Sustainability of products, resources and services	4.54	4.54
Creation of good working environment at all times	4.54	4.54
Improve customer health and convenience	4.54	4.54
Respect for employee human rights and diversity	4.54	4.54
Development of plastic-free and eco-friendly packaging	4.55	4.55
Social contribution, shared growth for government and NGOs	4.55	4.55
Sustainability Management for Business Partners	4.57	4.57
Capacity Building for Members	4.57	4.57
Strengthening cooperative policies and activities	4.58	4.58
Transparent and ethical transactions with partnering companies	4.59	4.59
Respect for Member Rights and Diversity	4.60	4.60
Customer Information Protection	4.62	4.62
Global market expansion and obtain high performance	4.62	4.62
Respect and protection of human rights	4.63	4.63
Enhancement of customer satisfaction and brand management	4.64	4.64
Responsible marketing	4.67	4.67
Ethics and compliance management	4.69	4.69
Product quality and safety	4.74	4.74

Materiality Evaluation

A materiality assessment was conducted to identify and intensively manage sustainability issues that affect company stakeholders and management, considering the positive and negative aspects of actual and potential impacts. To identify issues, a pool was organized based on domestic and international business conditions, global initiatives, and industry trends. Thirty two major issues were selected through an analysis of management activities, media, and industry trends. Finally, 11 material issues were identified by assessing the relevance of each GRI topic indicator to the business, considering the importance of stakeholders, and prioritizing responses based on the internal and external business environment. The identified material issues were reported to the working departments and the Board of Directors and they have been reflected in Atomy's sustainability strategy. We will strive to internalize ESG management through regular evaluation of these material issues.

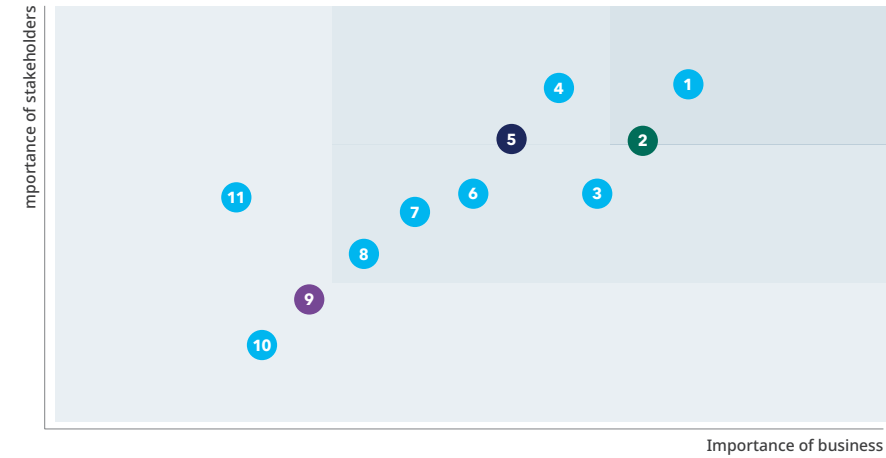
Organizing the materiality

assessment process issue pool
Organizing an issue pool based on domestic and international business conditions, global initiatives, and industry trends

Selection of key issues Selection of 32 key issues through analysis of management activity, media, industry trends, etc.

Derivation of key issues Derivation of 11 key issues by considering GRI topics, the importance of business, the importance of stakeholders, and the priority of response based on the internal and external business environment

Materiality Evaluation Process



- 1 Product quality and safety
- 2 Develop plastic-free and eco-friendly packaging
- 3 Strengthen co-operative and win-win policies and activities
- 4 Customer satisfaction
- 5 Global performance creation
- 6 Shared growth for the local community
- 7 Member and employee empowerment
- 8 Shared growth for the government
- 9 Company risk
- 10 Ethics and compliance management
- 11 Respect and protection for human rights

Economy Society Environment
governance structure

Materiality Assessment Key Issues Table

Key issues	Relevance to business			Importance of stakeholders				Strategic Tasks	GRI Index	UN SDGs	
	Cost	Profit Generation	Risk	Customers. Members	Employees	Partnering companies community	Local				Government-NGOs
1 Product quality and safety		●		●	●	●	○	●	•Absolute Quality •Absolute Price •Development of safe and durable products	414-1 / 416-2 / 417-1~417-3	
2 Develop plastic-free and eco-friendly packaging	●			●	●	●	●	●	•Zero plastics, resource regeneration and environmental restoration •Promote a global culture of eco-friendliness	301-1~301-3 / 305-1 / 305-2 / 306-1 / 303-2	
3 Strengthen of co-operative and win-win policies and activities			●	○	○	●	●	●	•Collaborative win-win policy and sustainability management •Support for win-win co-operation	206-1 / 308-1 / 308-2 / 414-1	
4 Enhancement of customer satisfaction and brand management			●	●	●	●	○	○	•Enhancement of customer satisfaction and brand management	416-2 / 417-1~417-3 / 418-1	
5 Expansion of global markets and performance creation		●		●	●	●	○	●	•Expansion of global markets •Global performance creation	201-1 / 202-2	
6 Social contribution and shared growth for the local community	●			●	●	●	●	●	• Social contribution and shared growth for the local community • Social contribution and shared growth for government and NGOs • Culture of sharing among employees and members • Culture of global sharing	413-1	
7 Social contribution and shared growth for government and NGOs				●	●	●	●	●			
8 Member and employee empowerment	●			●	●	○	○	○	<Members> • Pursuit of customer success and empowerment <Employees> • Pursuit of employee happiness • Employee empowerment	401-2 / 401-3 / 404-1~404-3	
9 Establish company-wide risk management system			●	●	●	●	●	●	•Establishment of a risk management system	2-9~2-14 / 2-22~2-26	
10 Ethics and compliance management			●	●	●	●	●	●	•Establish ethical management system •Ethical management practice activities	2-23 / 2-26 / 2-27 / 206-1	
11 Respect and protection of human rights			●	●	●	●	●	●	• Establish and train Human rights policy	405-1 / 405-2 / 406-1 / 411-1	

Sustainability Framework

Atomy aims to conduct sustainable management by internalizing ESG management across all aspects of the business. For this purpose, based on the material issues derived through the materiality assessment, seven focus areas have been set: "Principle-centered product development," "Global eco-friendly leader," "Establishment of a sustainable supply chain," "Respect for human rights and talent management," "Social contribution and shared growth," "Ethical management and risk management," and "Safety and health," and a sustainability roadmap has been established reflecting the strategic tasks for each focus area.

Sustainability Strategies

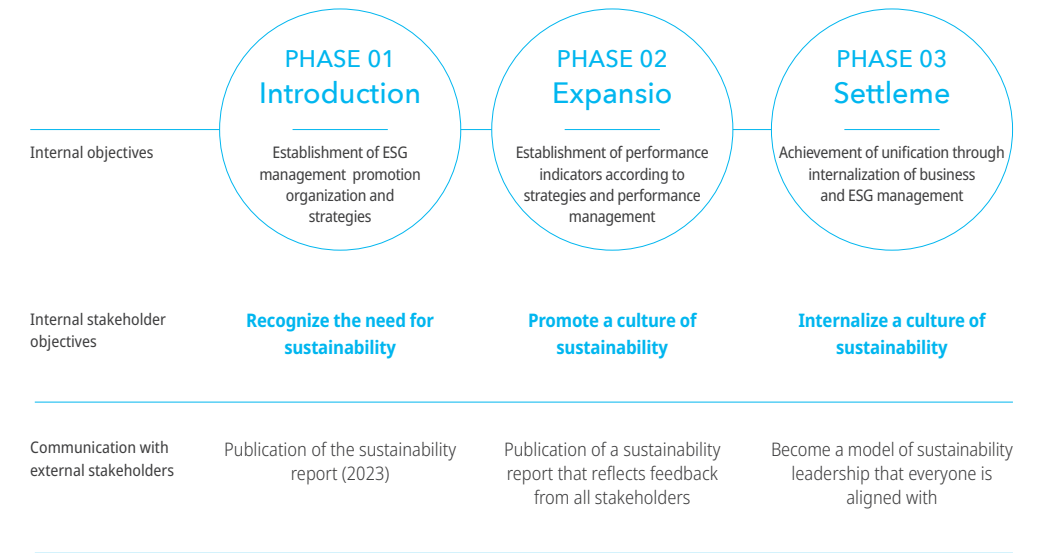
Atomy aims to become a premier global distribution hub based on a sustainable growth strategy by internalizing ESG management across the business. Based on the material issues identified through the materiality assessment, we will set seven strategic tasks: "Principle-centered product development," "Global eco-friendly leader," "Establishment of a sustainable supply chain," "Respect for human rights and talent management," "Social contribution and shared growth," "Ethical management and risk management," and "Safety and health" and implement them.

Sustainability Strategic Tasks and Key Activities



Sustainability roadmap

We have set up a roadmap to establish strategic tasks for each area of focus.



Sustainability promotion organization

To systematically promote sustainability management, Atomy has established teams for each area of sustainability and established the Sustainability Committee under the CEO. By doing so, the company will respond to each sustainability issue and communicate with the Board of Directors and management to manage and oversee strategic tasks. Furthermore, the company will endeavor to communicate with all stakeholders through the distribution of ESG information.

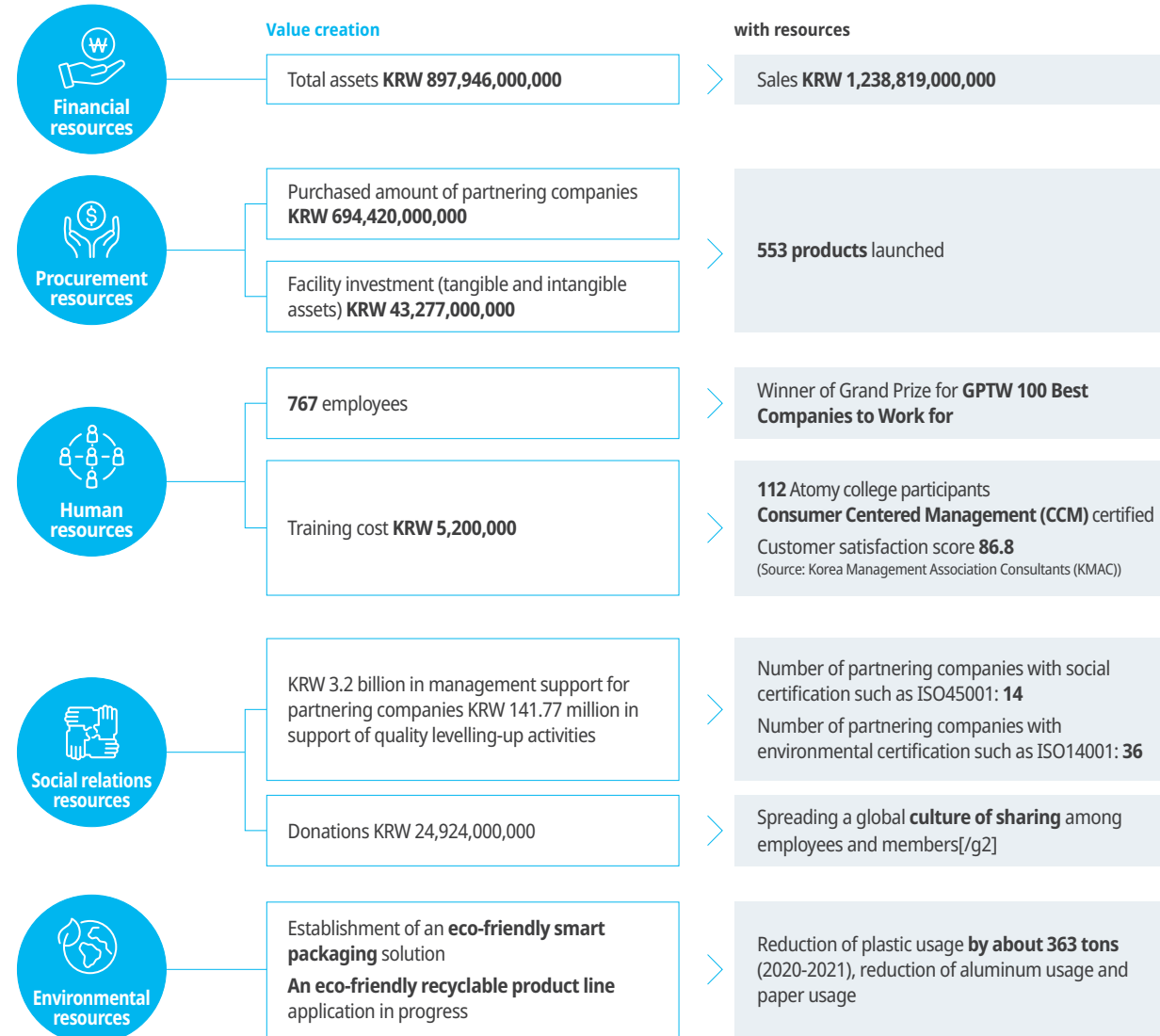


Creating sustainability value

Atomy creates value based on the sustainability value creation process. We also distribute the economic value we create to our stakeholders for shared development.

Sustainability value creation process

In our business activities, we create value by viewing the entire business from the perspective of sustainability management, including finance, procurement, human resources, social relations, environmental resources, and investment resources.



Economic value created

After a period of rapid growth, Atomy became the first Korean network marketing company to join the top 500 companies in domestic sales. With the general commission paid to members included, the economic value created in 2022 was KRW 1,991.4 billion, ranking first in sales in the domestic network marketing industry since 2020.

* Economic value created: Total sales and general commission paid to members

Economic value created (unit: KRW 1 million)

2020	1,590,466
2021	1,930,682
2022	1,991,422

Economic value distribution

While the primary purpose of a company is to “make a profit,” according to a business school textbook, Atomy looks beyond that to social value and works with its stakeholders to create shared development. To this end, we measure direct economic value generation and distribution (EVG&D) and incorporate it into our sustainability strategy. Atomy created a total value of KRW 1,991.4 billion on a consolidated basis in 2022, of which KRW 1,652.8 billion was distributed to stakeholders, and the amount of distribution is increasing every year.

Economic value distribution by stakeholder (unit: KRW 1 million)

Classification	2020	2021	2022
Partnering companies	666,313	740,057	694,420
Customers and members	536,103	714,919	752,603
Government	39,135	60,513	42,654
Employees	36,554	50,520	78,153
Society	8,907	24,762	24,924
Shareholders and Investors	19,584	20,000	60,000
Creditors	3	5	59
Total	1,306,600	1,610,775	1,652,812

PROMISE 1.
PASSION FOR PRINCIPLES

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Product policy

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Health and safety

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Ethical management and
risk management

Product policy

Atomy's product philosophy is a "Masstige" strategy. The word "Masstige" is a combination of "mass" and "prestige", meaning that the prices cater to the masses but the quality is prestige. Atomy's philosophy and primary product strategy is to supply the highest quality products for the same price and the lowest price for the same quality.



Strategic tasks and key activities

In order for Atomy to become a company that is trusted and used by all members of society, we are implementing a Masstige Strategy through Absolute Quality and Absolute Price, as well as a safe and healthy product development strategy. By doing this, we have managed to record the industry's lowest return rate of 0.2%. On the other hand, our purchasing costs are around 20% higher than those in the same industry.

Return Rate Comparison

Classification	2020	2021	2022
Atomy	0.19%	0.21%	0.22%
Average return rate in the network marketing industry	3.68%	2.52%	1.59%

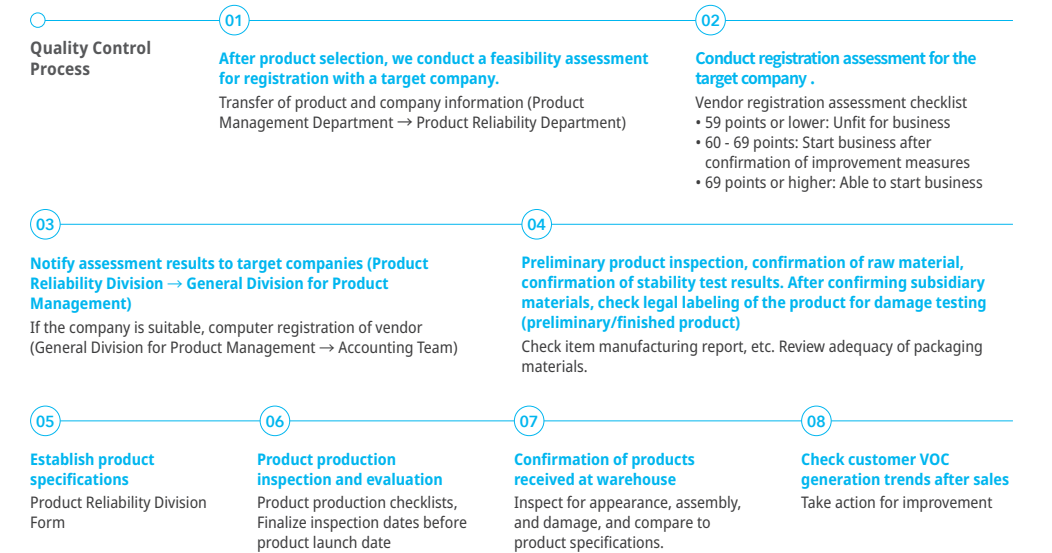
* Based on key information announced by the Fair Trade Commission on the Top 30 Multi-Level Marketing companies.

Product policy Strategy tasks and Major activities



Absolute Quality

Absolute quality products begin with top quality raw materials. If necessary, Atomy provides funds upfront to partnering companies to ensure the supply of quality raw materials. Furthermore, we strive to supply quality products through regular quality enhancement meetings and strict quality control processes with our partnering companies. Finally, we have a Zero-Tolerance Policy for fraud among external stakeholders, partnering companies, as well as our internal employees, and we work together based on trust.



Quality improvement meeting with partnering companies

Meeting name	Details	Period
Meeting to enhance the quality of packaging materials (cosmetics)	Analysis of consumer claims related to cosmetic ingredients and implementation of improvements	Once per month
Global quality project meeting (health functional food)	Discussion of quality standards by country/product	Once per month
New product quality meeting (health functional food)	Discussion on quality standards for launching domestic products	Once per month

Main contents of product inspection

Category	Details
Product production inspection and regular inspection	<ul style="list-style-type: none"> The product must be produced on the day of the inspection, and all processes must be in progress, from weighing raw materials to packaging the finished product. The legality of the raw material use and process promised to Atomy Whether the product contents and packaging materials remain intact until the consumer receives the product.
Professional third-party inspection	<ul style="list-style-type: none"> Expect product quality improvement through evaluation and diagnosis by a third-party professional evaluation agency. Reducing potential risks, such as product safety incidents and legal violations, while enhancing credibility through the objectivity and expertise of a third-party agency. Fostering excellent suppliers through process management methods and improvement activities, utilizing the expertise of third-party agencies Work with domestic partners to ensure objectivity in evaluation a third-party agency: SGS Certification Institute, Korean Standards Association, Bureau Veritas Korea Evaluation groups: Foods, health functional foods, cosmetics, household items Evaluation operations: Once annually

Absolute Quality

CASE 1. Technology innovation through patent filing and acquisition

Atomy HemoHIM has been granted a total of 16 patents, including patents in Korea, Japan, the United States, and four European countries. In addition, the “specialized delivery technology” used in the Absolute line has filed applications for domestic, PCT international and Chinese patents.

CASE 2. Zero Tolerance Policy

We have a “zero-tolerance policy” for fraud by all employees and partnering companies. We do not tolerate any form of corruption, such as solicitation, when determining product selection and pricing. The selection of a product is determined by a product committee, which deliberates over several rounds until a satisfactory result is reached.

CASE 3. Funding to secure fresh raw materials - “Salted Mackerel”

Atomy provides funding to secure fresh raw materials. A typical example is Atomy Salted Mackerel. Atomy Salted Mackerel is made from world-renowned Norwegian winter mackerel, known for its highest quality. It is flash-frozen below -40 degrees Celsius as soon as it is caught, and then brought to Korea. Sourcing fresh raw materials is crucial to this process, so Atomy pays around KRW 10-15 billion upfront for its mackerel each year.

CASE 4. Curating that offers value, not sales

Atomy is not a seller, but a curator. Atomy’s General Division for Product Management selects products through comparative research on similar products. They look for cost savings and quality improvement points, and discusses ways to improve them. Only after we have checked the character and integrity of the manager and are convinced of the absolute quality and absolute price of the product, will it be registered as an Atomy product. Offering products you can trust and saving consumers time and money by doing so is what Atomy curates for.

Absolute Price

Atomy’s first policy towards ensuring absolute price is to reduce costs through partnerships. In order to have good products delivered at low prices, we work with our partnering companies to improve their production lines and expand various facilities. We look into whether there are areas where costs can be reduced and also support the purchasing process. It’s not about simply lowering prices; it’s about coming up with a solution that ensures a reasonable profit margin for the partnering companies. Second, we reduce the cost of our products through efficient management and our ongoing efforts to reduce fixed costs. From the very beginning, Atomy has made work processes more efficient by computerizing tasks, thereby allowing employees to focus on more productive work.

CASE 1. Lowest return rate in the industry, oriented towards masstige products

Atomy’s return rate hovers around 0.2%, one of the lowest in the industry, with a cumulative average return rate of 0.19% over the 14 years since its founding in 2009 through 2022. This is because we have managed to keep costs down through careful management, which allows us to offer high-quality products at affordable prices.

CASE 2. “One-second toothbrush”, reducing cost through production line innovation

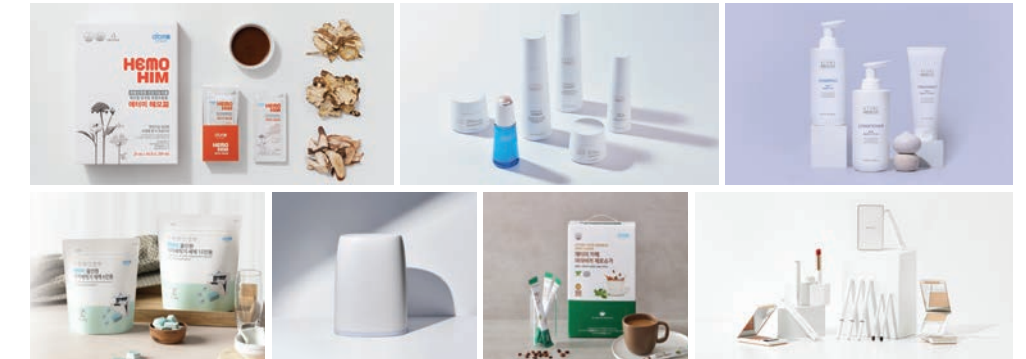
Efforts have been made to set the lowest price for toothbrushes, which are a basic daily necessity. To offer a product previously priced at KRW 1,600 to 2,400 for KRW 990, we cut costs in all areas, from purchasing raw materials to improving the production line. By placing large orders, and by simplifying the production line and fully automating the entire process, we made the absolute price a reality. These efforts have resulted in 37 million toothbrushes being sold annually, which means one is sold every second.

Development of safe and healthy products

To develop safe and healthy products, we adhere to legal standards for new products and sales, ensuring they are suitable for customer use and distribution. In addition, we set our own standards and we strengthen and manage them so that they exceed the legal standards.

Product launch status

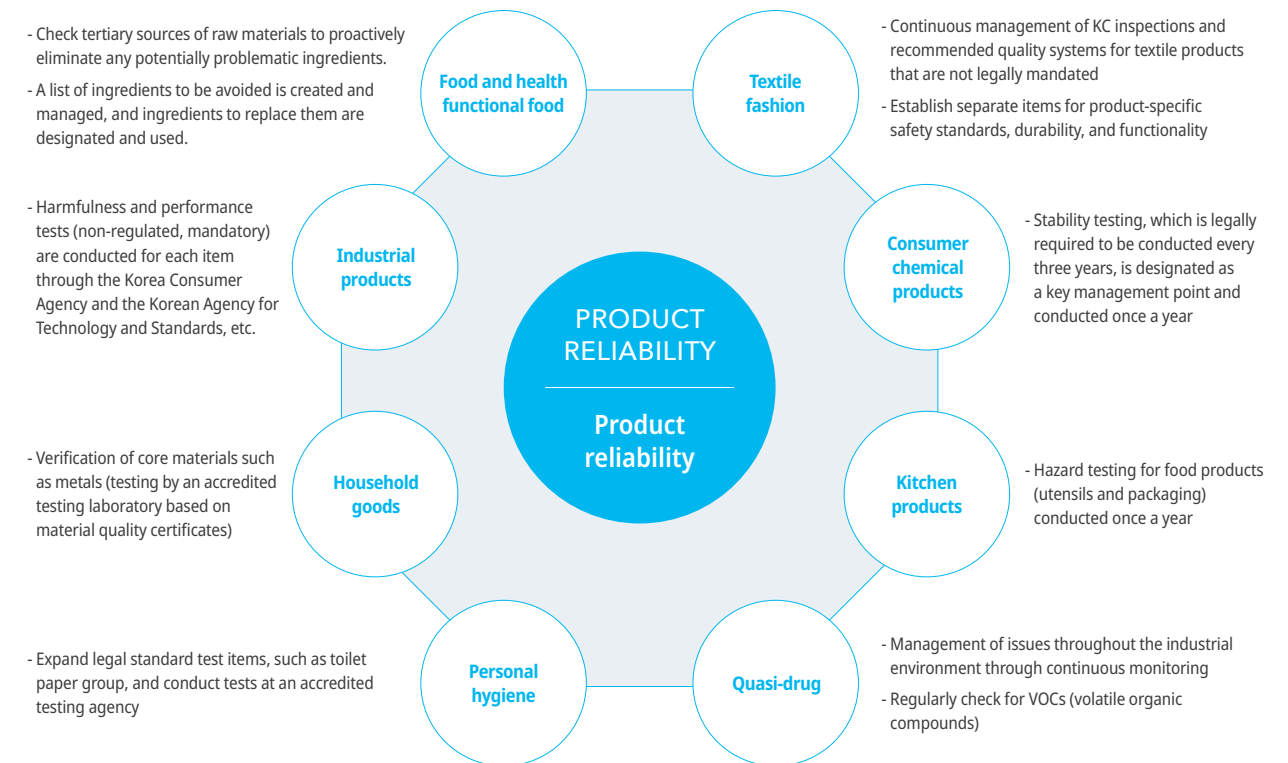
Atomy has expanded from health food, basic cosmetics, hair & body, and living products to makeup, food, fashion, home & decor, and home appliances, with 553 products as of 2022.



Enhancement of product reliability and labeling policy

We periodically conduct reviews to verify the objective appropriateness of all contents displayed on products, especially those that affect consumers’ product selection, such as “certifications, performance (functions), contents, and weight.” This is done through issuance of test reports or establishing process control standards for manufacturers.

Atomy product reliability enhancement policy



Health and safety

For Atomy, “people” are not a means to a company’s success. Rather, a “company” should be a vehicle for making members and employees happy. The most basic obligation for this is to provide healthy and safe products and working environments.

Strategic tasks and key activities

To achieve our goal of “building a healthy and safe life for all members of society,” we practice health and safety management based on three strategic tasks: creating a safe working environment, health promotion activities, and health and safety training. As a result, the number of fatal accidents and the incidence of occupational illnesses caused by the nature of Atomy’s work have been zero for three consecutive years, and we actively operate in-house clubs and programs to strengthen the sense of community in order to promote company-wide harmony and physical fitness. Furthermore, we internalize health and safety awareness through continuous health and safety training.

Classification	2020년	2021년	2022년
Number of Fatal Accidents	0	0	0
Disaster Rate	0	0.41%	0
Occupational Illness Occurrence Rate	0	0	0

Health and safety strategic tasks and key activities

Strategic directions

Building a healthy and safe life for all members of society

Strategic tasks

Creating a safe work environment

Health promotion activities

Health and safety training

KEY ACTIVITIES

- Establishment of a health and safety system through the Occupational Health and Safety Committee

- Company clubs and community-building programs
- Health counseling program

- Training by an external expert instructor once a month

Key Achievements

- Number of fatal accidents and incidence of occupational illnesses: 0 for 3 consecutive years

- Increased number of people utilizing a health counseling program
- Minimization of COVID-19

- Internalization of health and safety awareness

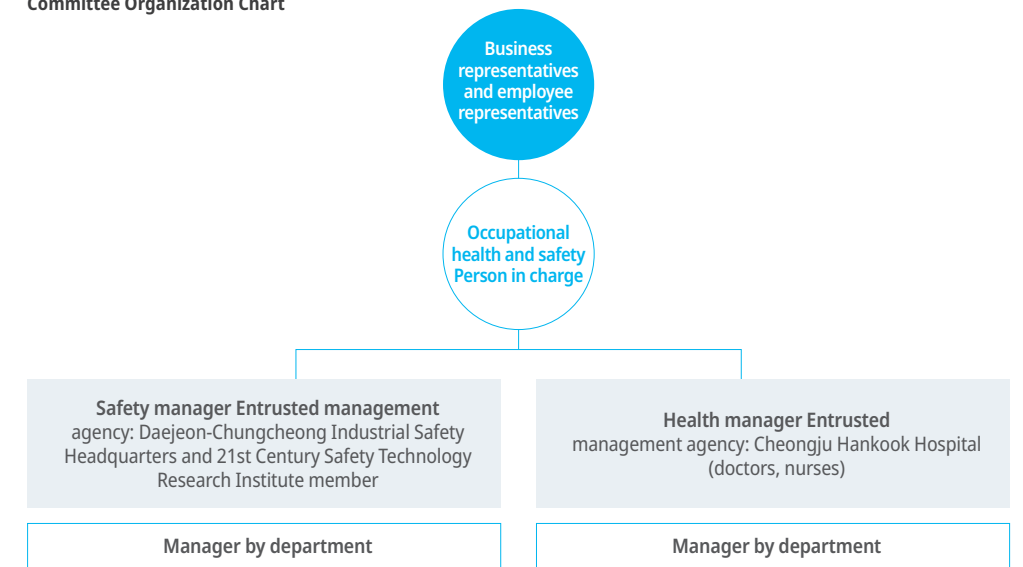
Creation of a safe working environment and activities for the promotion of health

To minimize employee illnesses and accidents, we have established a health and safety system centered on the Occupational Health and Safety Committee. In addition, we help employees work in a health and fitness environment by operating company clubs, community-building programs, and health counseling programs to promote employee health, mind, and body.

Occupational Health and Safety Committee

The Occupational Health and Safety Committee is convened quarterly to systematically practice health and safety management. Occupational health and safety managers work under the leadership of business representatives and employee representatives, and there is a safety manager and a health manager through an outsourced management agency. Safety managers share relevant information with the Korea Occupational Health and Safety Agency, the Ministry of Employment and Labor, and the Gongju Fire Department and devise cooperation plans, while health managers share relevant information and cooperate with the Korea Centers for Disease Control and Prevention, Gongju Medical Center, and Gongju Public Health Center.

Occupational Health and Safety Committee Organization Chart



Accident response process

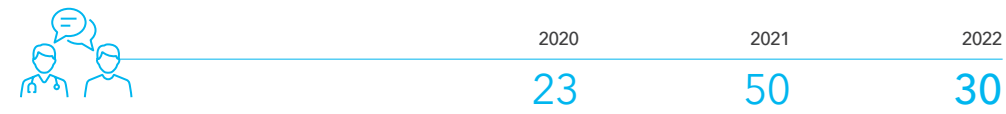


Creation of a safe working environment and activities for the promotion of health

Consultation program operation

We are running a door-to-door consultation program in collaboration with Cheongju Hankook Hospital, a medical institution certified by the Ministry of Health and Welfare. One-on-one, face-to-face consultations with an occupational medicine specialist and nurse are held on a monthly basis.

Number of consultation program counselors



Operation of company clubs and community-building programs

We operate company clubs and community-building programs to improve the physical and mental health of our employees. To promote physical health, we actively encourage and provide equipment and development funds for life sports activities such as horseback riding, soccer, badminton, basketball, women's futsal, table tennis, golf, and tennis. We also support training expenses for hobbies such as company bands, games, darts, and flower classes to create a healthy and cheerful atmosphere for a balanced mental health. Finally, we run community-building programs like the cheerleading competition and the Atomy Run to promote company-wide harmony and fitness.

Operation of company clubs and community-building programs

Promotion of physical health
Horseback riding, soccer, badminton, basketball, table tennis, women's futsal, golf, tennis, etc.

Mental health activities
company bands, games, darts, flower classes, etc.

Strengthening a sense of community
Cheerleading competition, Atomy RUN

Creation of a safe working environment and activities for the promotion of health

Strong preemptive measures to prevent the spread of COVID-19

We were proactive in preventing the spread of COVID-19 before the government's official severity levels.

Category	details
Compliance with government response guidelines and preemptive response before the "severe level"	<ul style="list-style-type: none"> January 2020- COVID-19 prevention and countermeasures center and dedicated bulletin board established Compliance with government response guidelines and preemptive response before the "severe level" February 2020, implemented work-from-home for all employees, fully implemented online meetings (purchased meeting equipment and systems), and created a work-from-home environment (introduced a remote work system). Offline marketing seminars conducted entirely online, and gatherings at offline training centers prohibited, with offline operations suspended
Continuous preventive activities	<ul style="list-style-type: none"> Periodic quarantine (cleaning, disinfection) of the entire office building Installation of personal partitions in the cafeteria, management of an appropriate number of people per time slot Continued provision of personal protective equipment (masks: distributed weekly, hand sanitizer: always available in the office, immune-related health food: always available in the office) Entry verification (unification of entrance and exit doors, introduction of automatic thermal checkers, visitor electronic attendance list management, QR authentication system)

Health and Safety training

We invite external expert lecturers to provide CPR, defibrillator training, and fire training so that we can take quick action in case of an emergency, and we plan to gradually expand the number of such programs in the future.

Employees subject to the occupational health and safety management system



* Group insurance has been purchased for regular employees in case of industrial accidents, etc.

2020	2020	2021	2022
<p>Ongoing COVID-19 guidance and prevention training (operation of dedicated online company-wide bulletin board)</p>	<p>Re-emphasized departmental training on COVID-19 prevention</p>	<p>Special lecture on accident prevention by respected lecturers (Chief of Gongju Police Station)</p>	<p>CPR / Fire safety training (Gongju Fire Department)</p>
<p>Training hours Always open Number of trainees 220</p>	<p>Training hours 1 hour Number of trainees 220</p>	<p>Training hours 2 hours Number of trainees 243</p>	<p>Training hours 2 hours Number of trainees 150</p>

* Conducted with full-time employees at Atomy Headquarters (this is a cumulative number, including redundancies, so there will be variation from year to year).

Ethical Management and Risk Management

Based on our “principle-centered” management philosophy, Atomy continuously establishes and strengthens relevant policies and behavioral principles to ensure that ethical management is ingrained through a healthy organizational culture. Furthermore, we are striving to fulfill our social and ethical responsibilities by implementing corporate ethics campaigns, training, etc. to improve the ethical awareness and practice of our members and employees. To add to this, we are striving to establish a risk management system to prevent and manage corporate risks and to achieve enhanced sustainability by proactive risk prevention.

Strategic tasks and key activities

Atomy recognizes that a culture with a strict adherence to principles is the most basic factor that can ensure sustainable growth, and so we will continue to practice upright management based on a “principle-centered culture.”



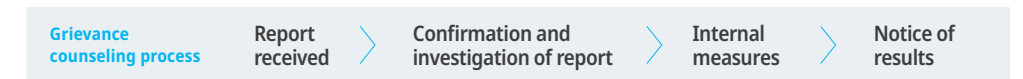
ATOMY DNA
The Atomy DNA contains Atomy's management philosophy, vision, and achievements over the past decade.

Publishing and announcing corporate culture books

Atomy has published a book on the company's sustainability approach, including ethical management and risk management, to publicly declare its purpose and intentions. We publish a quarterly magazine with a message from the CEO, and in 2021, we published “Atomy DNA,” which contains the management philosophy of Chairman Han-gill Park and shares the Atomy organizational culture throughout the company. In 2022, we collaborated with Professor Jung-koo Yoon, an expert in human resources and organizational strategy at the Ewha Womans University College of Business Administration, and published a book on Atomy's journey to become a global ESG company.

Operating a grievance counseling system for a happy work life

We have a workplace grievance counseling system for our employees. We accept reports online and offline to help our employees feel comfortable discussing any issue, including workplace bullying, sexual harassment, stress, and violations of our Code of Conduct, and the employees' identity and the content of their reports are kept strictly confidential.

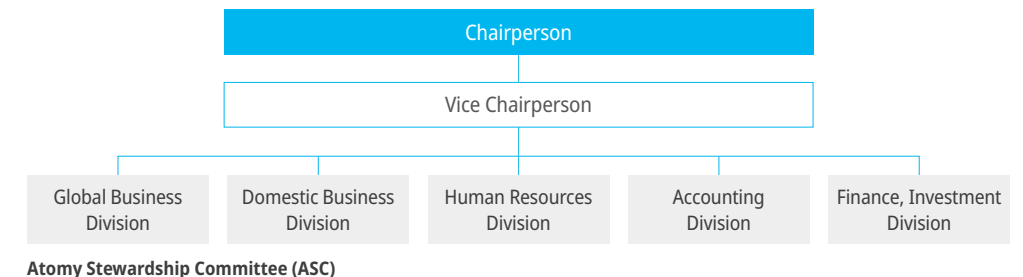


Number of reports to grievance counseling center

Classification	Workplace harassment	Sexual harassment	Stress damage	Violation of ethical management
2022	0 cases	0 cases	0 cases	0 cases

Organizing the Atomy Stewardship Committee (ASC)

To ensure that the Atomy community's purpose (Customer's Success) and core value (Honesty and Goodness is the Best Strategy) is ingrained down to the day-to-day working level, we formed the Atomy Stewardship Committee (ASC) on January 20, 2023. In order to implement “Stewardship,” we have coaching staff centered on C-level leadership in each field to provide coaching and consulting in a preemptive and proactive manner for community cooperation and growth, beyond the passive dimension of follow-up inspections and corrections.



Establishment of an ethical management system

We have established separate ethical management systems for members, employees, and customers. For members, we have established and implemented a code of ethics as a standard of proper behavior and value judgment for our members. For employees, a 360-degree multi-faceted evaluation is conducted semi-annually to check competencies based on Atomy's values and philosophy.



Ethics code for members

In 2017, we held an implementation ceremony for the Global Code of Ethics, to ensure that principle-centered business would be practiced in Korea and overseas.

Fair trade and anti-corruption

In implementing ethical management, we make selections based on fairness to prevent possible violations of fair trade-related systems in advance and contribute to the establishment of a fair market order. Furthermore, we conduct risk management activities to prevent possible corruption and non-compliance with regulations within the various workplaces. In this way we can ensure that issues caused by employee misconduct and wrongdoing or intentional violations of internal policies and procedures, as well as personal inattention, negligence, errors in judgment, or unclear instructions, are quickly identified and addressed. Above all, we strive to promote the rights and development of our members and consumers by faithfully implementing systems related to member and consumer rights.

Number of violations in the field of fair trade and corruption

Classification	2020	2021	2022
Corruption areas within ethics management	0 cases	0 cases	0 cases
Korea Fair Trade Commission	0 cases	0 cases	0 cases
Korea Consumer Agency	0 cases	0 cases	0 cases

Employee feedback direction

Evaluation systems that weigh people against each other, line them up, and make them feel uncomfortable are not a good fit for Atomy. When we uphold the standards we hold dear at Atomy, such as "qualities and attitudes of service," "honesty and principle-centered behavior," "growing together as a force for good," "top-oriented," and "a hutzpah mindset focused on improvement rather than criticism," etc., we create extraordinary performance and capabilities.

Evaluation contents corresponding to "honesty" and "principles" among 360-degree feedback (employees)

Realization of value through internalization of honesty and a principle-centered attitude			
Principle 1	Principle 2	Principle 3	Principle 4
I do not hide my mistakes	I do not exaggerate achievements	I am willing to take responsibility	I consider wasteful elements and work with care

Provision of ethical products

We have internal guidelines in place to ensure that our customers have the right information when choosing a product. All product-related labeling content is approved through mutual consultation between relevant departments such as the Product Reliability Division and Product Management Department, and we have improved the transparency and reliability of information used in product labeling and advertising through voluntary institutional reviews.

Personal information protection system

We have upgraded our mail monitoring system and established an encrypted communication monitoring system to strengthen our personal information leakage monitoring. We provide security consulting every year, and we create and hold deposits in a separate account to compensate for personal information leaks.

Classification	2020	2021	2022
Number of personal information infringements	0 cases	0 cases	0 cases

Personal Information Protection Officer and roles by organization

We have established a privacy organization by designating a person in charge of personal information protection and personal information handlers and defined their roles and responsibilities. The person in charge of personal information protection is an employee designated within the company who is in charge of the personal information protection of users or who makes the final decision on the handling of the work. We hold a regular meeting once a year to review company and social or legal issues related to personal information, and the matters derived from the meeting are reflected in the next internal management plan so they can be implemented.




Personal information protection training

To raise employees' awareness of member information protection, we designate a person in charge of information protection for each department and conduct information protection training at least twice a year regarding the main contents of personal information protection laws, recent social issues related to personal information, and our company's personal information protection policy.

Security enhancement activities

In order to prepare for security risks such as an increase in new security threats, an increase in new assets, and an increase in new vulnerabilities, we have been gradually strengthening our security activities since 2018 by strengthening the personal information protection management system, establishing a monitoring system, establishing an information protection management system, and establishing an information protection master plan.

Security enhancement master plan

2018		Strengthening of the personal information protection management system	<ul style="list-style-type: none"> Establishment of an information protection organizational system Establishment of an infringement incident response system Review of information protection policies and guidelines Enhancement of information protection training - Enhancement of infrastructure security
2019		Establishment of a monitoring system	<ul style="list-style-type: none"> Establishment of an information leakage route control and monitoring system Establishment/promotion of a security audit system Blocking of information exposure and strengthening of internal security Personal information status inspection
2020 ~ 2022		Establishment and maintenance of an information protection management system	<ul style="list-style-type: none"> Establishment of a management system through a dedicated organization Control and monitoring of information leakage routes System enhancement Promotion of a security audit system Self-diagnosis of information protection level Planning and implementation of self-vulnerability diagnosis

Ethical management practice activities

Through the launch of the Ethics Committee, we are supporting the establishment of principle-centered ethical management. Furthermore, through Atomy College, the onboarding process, and weekly management strategy meetings, management and employees are constantly communicating about the direction of Atomy's ethical management, principle-centered management, and honest management principles.

Ethics Committee

In January 2012, Atomy members launched the "Ethics Committee" to ensure that we remain a principle-centered business. The primary focus of the Ethics Committee is the proper growth and development of our members and, by extension, the development of network marketing as a whole.

Ethical management culture activities

Activity name	Details
Betting ban resolution contest	<ul style="list-style-type: none"> A campaign in which key leader members resolve not to engage in excessive purchasing behavior for the purpose of obtaining commission
Principle-centered performance	<ul style="list-style-type: none"> Laying the foundation for a principle-centered culture and improving social awareness of network marketing Performances that express the will to establish a culture of observing principles in various forms such as mime, oratory, and theater
UCC contest for a crackdown on odd culture	<ul style="list-style-type: none"> Rewards top performing teams by assessing their unity, determination, creativity, etc. Participation in UCC competitions from about 500 centers for two years on topics such as principle-centered business development, Atomy brand management, business manners among members, and creating a healthy training and seminar environment Contribution to raising awareness about healthy network marketing Approximately KRW 50 million worth of prizes and product support every month
Global Code of Conduct Announcement Ceremony	<ul style="list-style-type: none"> Conducting declaration ceremony to affirm the commitment to lead the establishment of Atomy culture by promoting principle-centered global business expansion. The declaration ceremony, which began with the participation of around 2,700 Atomy Leaders, which also implemented in our Taiwan and Malaysian branches, extending the Atomy culture beyond the Korean market to global branches. Helps educate people to conduct principle-centered business through declaration ceremony

Ethics management training

To improve the awareness of ethics among our members and employees, we periodically conduct ethical management training based on the Code of Ethics and Code of Conduct.

Conducting of ethics training

Members	Employees
Online culture building process <ul style="list-style-type: none"> Implemented to establish the Atomy principle-centered business culture Conducting three rounds of online education (1st: understanding principle-centered, 2nd: consumer-centered network marketing, 3rd: crackdown on odd culture and deliver a culture of service) Over 2,000 members have taken the course, with a high satisfaction rating of 4.5 (out of 5) 	Atomy College <ul style="list-style-type: none"> Conducted four times a year from 2016-2018, twice a year after 2019, 5 times or more in 2022, 20 or more in 2023 (including headquarters in Korea and overseas branches) Top executives teach the company's core values of honesty and principle-centered business. Employees' opinions and questions are collected and presented, and management responds Mandatory courses for new hires (onboarding process) <ul style="list-style-type: none"> Training for new employees Internalization of core values, work methods, ethics, and talent over a one-month process

Anti-corruption training

This was training on our core values (honesty, principles, trust, etc.), followed by a group meeting for Q&A and a "role scenario" presentation to encourage commitment to their roles.

Anti-corruption training progress details

2020	2021	2022
2 times	2 times	5 times

Establishment of a risk management system

Atomy has established a risk management system to prevent foreseeable risks, respond immediately to unavoidable risks, and ensure stable and sustainable growth. For example, we categorized delays in product delivery due to natural disasters and courier strikes as an issue, and implemented the industry's first dedicated delivery system to resolve delivery issues.

Key risks and responses

Uncontrollable	
Politics/Government policies and regulations Continuous policy monitoring and establishment of a response policy	Natural disasters Budgeting and planning for disaster recovery
Controllable	
Financial Interest rates We maintain financial strength to minimize the incidence and impact of financial risk due to interest rate fluctuations Raw material price Due to the nature of the distribution business, the financial risk impact of raw material price fluctuations is limited, but we understand the business situation of partnering companies that produce our products and we collaboratively manage the necessary support. Currency exchange We predict exchange rate risk by analyzing foreign currency exchange market trends and manage risk by trading the minimum amount of derivatives to hedge foreign exchange losses	Non-financial Strategy We established an efficient decision-making system through regular weekly strategy meetings and standing meetings by major departments Operation We resolve information asymmetry between domestic and overseas employees by department, function, and corporation by designing an IT infrastructure that enables real-time information sharing IT security We review and improve security policies Legal Continuous legal policy monitoring and establishment of a response policy Reputation Establishment of policies and marketing strategies that take stakeholders into account Ethics Strengthening ethics training

Financial transparency management

We are operating a thorough internal accounting management system to ensure transparency of corporate operations, reliability of information, and to enhance the core strength of our business. We have implemented an external audit system, a crucial measure for ensuring accounting transparency. Through regular consulting, we have established and are now operating a system to proactively monitor abnormalities in financial information, enhancing the reliability of financial statements.

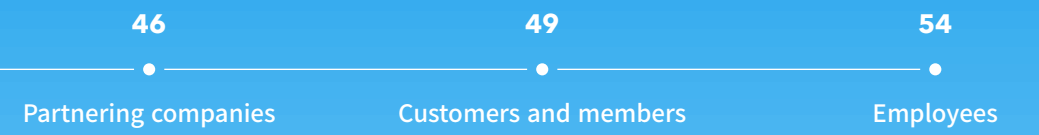
Introduction of SAP

With SAP's latest version of S/4HANA, we have established financial accounting, managerial accounting, sales, production, and purchasing inventory management systems, as well as a sync system with the SCM system to efficiently organize and manage supplier collaboration.

Key achievements of SAP introduction

<ul style="list-style-type: none"> Improvement and modernization of financial accounting functions with Simple Finance Performance of advanced managerial accounting and sales management tasks Establishment of a purchased material management system linked to the vendor system Establishment of an executive information system (EIS) for increased work convenience and faster decision-making with FIORI 	<ul style="list-style-type: none"> Shortened global settlement schedule Reduction of accounting statement processing time and speeding up of data processing for management information reporting Quick and accurate cost calculation and profitability analysis for each product that eliminates internal transactions between group companies
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**PROMISE 2.
GROWING TOGETHER THROUGH
COLLABORATION**



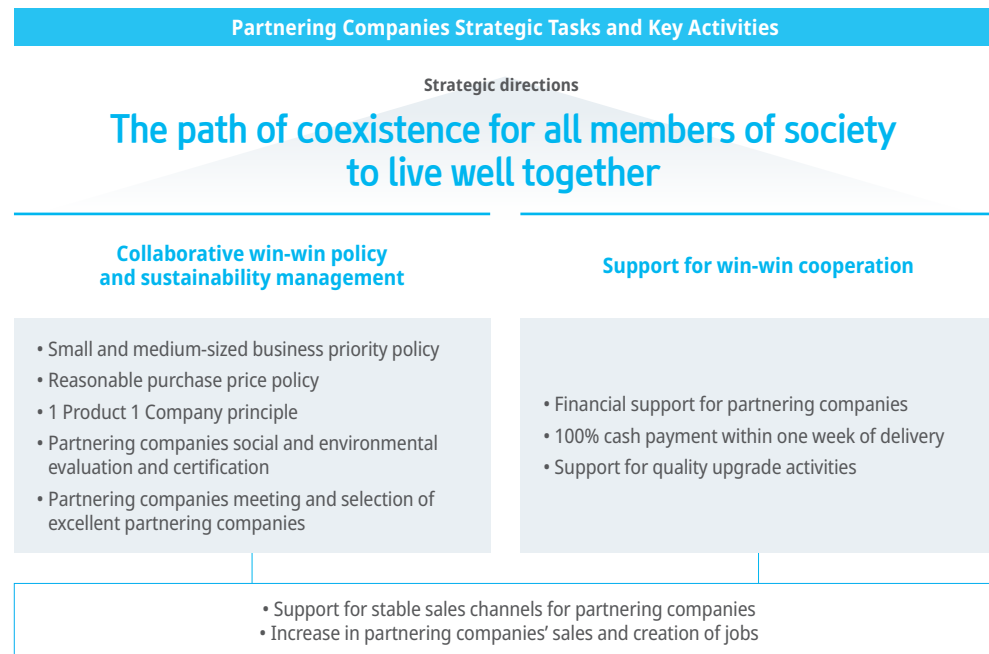
Partnering companies

Growing together with our partnering companies is a core value that enables us to deliver products of absolute quality and absolute price. That's why we call our cooperating companies, "partnering companies". If cooperation means helping each other to complete a task, partnership emphasizes a relationship where you become a family and succeed together, rather than a simple contractual agreement.



Strategic tasks and key activities

At Atomy, we believe that the success of our partnering companies is our own success. When you take it a step further and create a virtuous cycle that makes even consumers happy, everyone wins. This is Atomy's culture of shared growth and the path of building good together where everyone can win.



Status of partnering companies

Atomy's 78 partnering companies in 2022 were all manufacturers, and the annual purchased amount was KRW 694.4 billion.

	2020	2020	2020
Number (ea.)	72	75	78
Purchased amount (KRW 100 million)	6,663	7,401	6,944

Collaborative win-win policy and sustainability management

Providing stable sales channels to small and medium-sized businesses

When selecting new products, we prioritize deals with small and medium-sized enterprises that have weaker sales channels than large enterprises for the same product and strive to discover small and medium-sized enterprises that have excellent products but are struggling due to lack of capital and sales channels.

Reasonable purchase price policy

To ensure a win-win situation for both Atomy and our partnering companies, after fully considering the factors that affect the purchase price, such as quantity, quality, specifications, delivery date, material price, labor cost, and raw material price, we calculate a sensible purchase price by adding the supplier's reasonable management cost and profit.

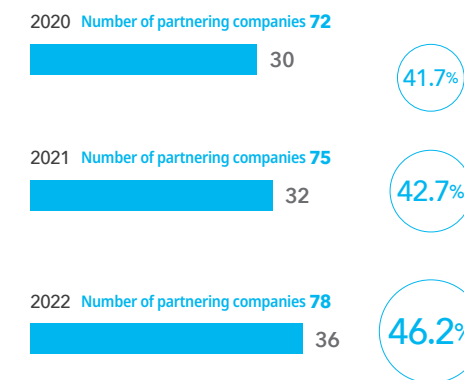
Partnering company social and environmental certification and ESG evaluation

When evaluating our partnering companies, we include four items in our assessment—environmental and safety management, hazardous substance management, corporate social responsibility, and information protection - to ensure that our partnering companies are continuously interested in developing and improving their ESG practices. What's more, since 2019, we have been conducting annual social audits based on the Sedex Members Ethical Trade Audit (SMETA) checklist for Atomy cosmetics partnering companies, with the aim of improving their social responsibility and ethical awareness.

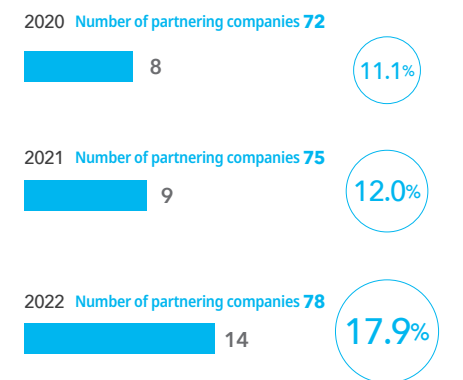
Social and environmental certification and evaluation ratio of Atomy partnering companies

■ Number of certified companies Certified company ratio (%)
○ Certified

Environmental certification and evaluation



Society-related certification and evaluation



Collaborative win-win policy and sustainability management

1 Product 1 Company principle

“1 Product 1 Company” is Atomy’s merchandising (MD) strategy of making transactions for one item with one company. Once we establish relationships with our partnering companies, they do not change or become severed unless moral issues arise. Trust in the “1 Product 1 Company” principle enables partnering companies to invest in facilities and long-term research and development to promote quality improvement and cost reduction.

Partnering companies meeting and selection of excellent partnering companies

We hold a meeting with partnering companies once a year. This meeting with partnering companies is a discussion forum where Atomy and its partnering companies come to show respect for each other’s roles on an equal footing, share opinions and build a stronger corporate network to create an advanced shared growth culture. We also recognize outstanding partnering companies each year to show our appreciation.



Support for Win-Win cooperation

100% cash payment within one week of delivery

To help manufacturers who need to make upfront investments in research and other facilities, we make the full payment in cash within a week of delivery, and immediately for those who need liquidity.

Financial support for Partnering companies

In the event of a financial crisis or disruption in partnering companies, Atomy provides management funding to help the partnering companies reduce unnecessary financial costs.



Support for quality upgrade activities

To improve quality, Atomy shares our experience and knowledge with our partnering companies, and collaborates with third-party professional agencies for objective analysis and joint quality control checks. The cost of improving quality is shouldered entirely by Atomy.

Quality Improvement Activity Support Fund (third-party inspection costs)

Year	1st	2nd	3rd	Total
2020	KRW 54.3 million	KRW 23.8 million	KRW 4.8 million	KRW 82.9 million
2021	KRW 49.38 million	KRW 11.84 million	KRW 1.6 million	KRW 62.82 million
2022	KRW 77.88 million	KRW 53.65 million	KRW 10.23 million	KRW 141.77 million

Customers and members

For Atomy, the customer is the ultimate goal, not a means to an end. Accordingly, all decision-making principles and standards also come from the customer. We do not just maintain one-dimensional relationships where we sell and buy products. Rather, we put our customers’ values at the forefront of everything we do, to ensure that the entire experience surrounding Atomy is seamless. Furthermore, we are constantly improving the level of our products and services to maximize customer benefits.



Strategic tasks and key activities

Atomy’s philosophy that “Goodness and Honesty is the Best Strategy” has led to a number of achievements, including being the first in the industry to earn two consecutive Customer Centered Management (CCM) certifications.



* In this report, consumers and business operators (members) are collectively referred to as customers. If an explanation is needed in the distributor (member) area, it is explained by indicating “member.”

Mid to long-term execution plan

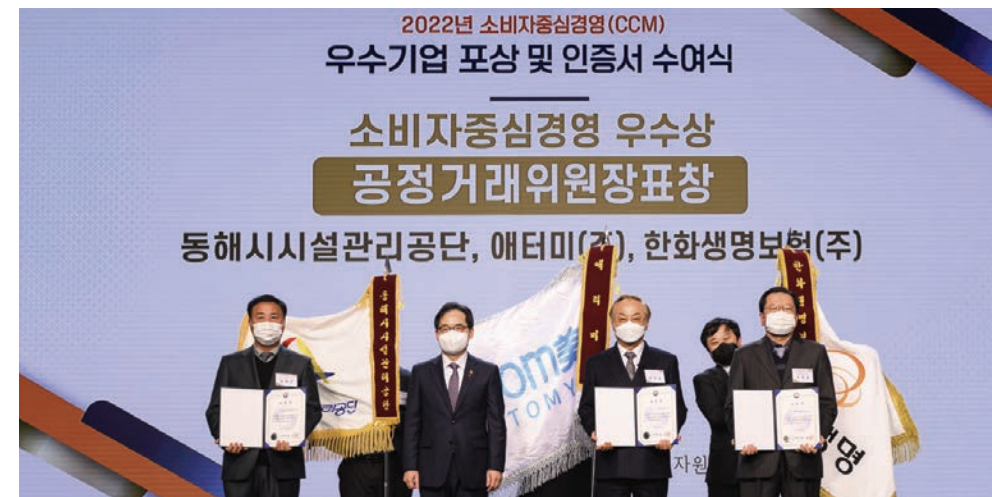
Road map	Step 1: Introduction Phase	Step 2: Expansion Phase	Step 3: Settlement Phase
Objectives	<ul style="list-style-type: none"> Declaration of Management Goal "Customer Success" Establishment of Principle-Centered Culture and Customer-Centric Management System 	<ul style="list-style-type: none"> External Certification of Customer Center Management System (CCM Certification) Establish Customer Service Charter Formation of CCM Promotion Committee Enhancement of Employee Competencies in CCM 	<ul style="list-style-type: none"> Declaration of Vision for Customer-Centric Management Innovation for Enhancing Customer Value (service, business, and working methods based on IT) Operation of Customer Ombudsman System Acquisition and Internalization of CCM Competencies

Mid to long-term execution plan for customers and members

Enhancement of customer satisfaction and brand management

Consumer Centered Management

We have been steadily promoting Consumer Centered Management based on our management goals and mission statement, which consider customers to be "Atomy's best asset". As a result, in December 2019, we became the first company in the network marketing industry to receive Consumer Centered Management (CCM) certification. What's more, we were also certified in our biennial reassessment, making us the first and only company in the industry to be continuously certified in Consumer Centered Management. In 2022, we were also awarded the Korea Fair Trade Commission Award for Excellence in Consumer Centered Management, setting an example for the industry. Consumer Centered Management certification is a system that examines whether a company organizes all its activities around the consumer from the consumer's perspective and continuously improves related management activities.



Customer satisfaction survey

The Korea Management Association Consultants (KMAC) organization conducted a customer satisfaction survey on overall service in 2021 across 21 countries, including Korea. As a result of the survey, the average ESI overall satisfaction by country was high at 86.8 points, and customer satisfaction was also found to be superior to competitors in all 21 countries. Furthermore, we also proved our competitiveness in social media marketing by ranking first in the network marketing industry in the 2022 Digital Customer Satisfaction (Heart To Heart Index) surveyed by the Korean Marketing Association and Consumer Evaluation.

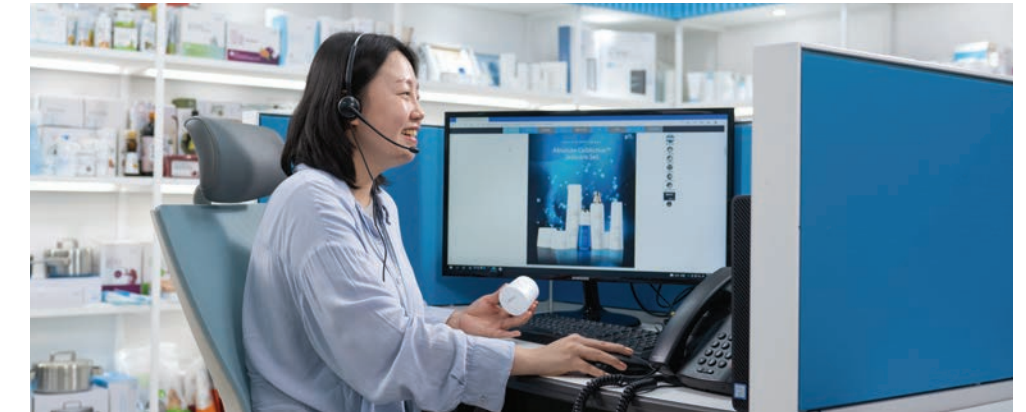
* Digital customer satisfaction level: As a survey to determine social media competitiveness, it collects data from social media channels, such as the number of posts,

Enhancement of customer satisfaction and brand management

Customer Happiness Center

Complete the customer's happiness

Atomy's CS does not simply handle customer complaints, it also gets into the minds of our customers and proactively solves their problems. Our call centers are called "Customer Happiness Centers" because the reason they exist is to make customers happy.



Voice of the Customer (VOC)

To better recognize customer needs and respond to them quickly and precisely, since 2016 we have worked with our dedicated VOC management team and process, and we coordinate seamlessly with our headquarters and our partnering companies on the principle of a 24-hour turnaround.

Process



Unlimited decision-making power for customers

The Customer Happiness Center is our most direct channel of communication with our customers. Agents working at the Customer Happiness Center serve customers with a sense of duty, representing Atomy. To do this, Atomy grants its call center staff the power to make independent decisions about returns, exchanges, and more. This ensures that we come up with a solution that is in the best interest of the customer, seen as much as possible from the customer's perspective.

Supporting to acquire the best qualities and abilities

The quality of the agents is a key factor in determining the quality of the Customer Happiness Center. Agents are the link between the company and the customer, listening to the customer's voice, whether a complaint or an inconvenience, and relaying it to the company. Because of this, the experience and seniority of these agents is more important than in any other job. Atomy has a structured training and support program and is constantly upgrading the consulting capabilities of our agents.



Pursuit of customer success and empowerment

Various seminars hosted by the headquarters

Up until 2022, we organized a total of 8,419 company-sponsored seminars for customer success. The Atomy Success System helps Atomy members around the world communicate and work together without restrictions of time and space through various online and offline channels.

Key Atomy seminars

	
<p>Key Atomy seminars</p> <ul style="list-style-type: none"> • Held once a month, providing success tips and direction for a balanced life • Multi-source broadcasting system with multilingual interpretation services 	<p>World Success Show</p> <ul style="list-style-type: none"> • Hosted six times a year to showcase new products, global success stories, and Atomy's vision in a variety of languages from branches around the world
	
<p>One-day Seminar</p> <ul style="list-style-type: none"> • Introduce the founding principles, company and products, marketing plan and road to success lectures 	<p>Seminar for Part-timers</p> <ul style="list-style-type: none"> • Guide you through the company, marketing plan, and Atomy's success from a side hustle perspective.

Subcommittees

We strive to communicate with our members by conducting sensory evaluation and in-depth interviews with members above a certain level of mastership in areas such as product, global, centers, and seminars to address complaints, inconveniences, improvements, and dispute resolution activities.

Subcommittee type and role



<p>Ethics Committee</p> <p>Disciplining members for ethics violations and mediating disputes between members</p>	<p>Product Subcommittee</p> <p>Launching product customer feedback and product suggestions</p>
<p>Global Subcommittee</p> <p>Discussing global business procedures and ethics</p>	<p>Center Subcommittee</p> <p>Coordinating suggestions and comments on establishing and activating centers</p>
<p>Subcommittee for promoting the Culture of Service</p> <p>Discussing crackdown on odd culture in network marketing and establishing in-house ethical rules</p>	<p>Seminar Subcommittee</p> <p>Coordinating suggestions and opinions on seminar operations, activation, and development</p>
<p>Sell Lab Subcommittee</p> <p>Discussing product promotion, training, and sales strategies</p>	<p>DX Subcommittee</p> <p>Coordinating suggestions and opinions on leveraging IT to revitalize the business</p>
<p>Customer Value Innovation Subcommittee</p> <p>Negotiating service, policy improvements for absolute service perfection</p>	<p>Online Resale Subcommittee</p> <p>Establishing the right order of distribution, eliminating online resale. Training members, improving systems to combat resale</p>

Pursuit of customer success and empowerment





Online Success System

We support a variety of online success systems that allow us to meet consumers, introduce products, and empower members without the constraints of time and space.


Shopping Mall

	<p>Atomy Shop APP</p>	<ul style="list-style-type: none"> • Provides a mobile shopping mall, announcements, My Office, Customer Happiness Center information, etc.
	<p>At.G Mall</p>	<ul style="list-style-type: none"> • Provides direct access to Atomy global members to Atomy's newest and best products and have them shipped directly to their door



Provides company highlights, seminars, and news

	<p>Atomy.com</p>	<ul style="list-style-type: none"> • Atomy's global corporate site provides an overview of the company, product philosophy, CSR activities, member guides, etc.
	<p>Channel Atomy</p>	<ul style="list-style-type: none"> • A site that showcases all of the content created at Atomy, including videos from the CEO and members, products, news, and more
	<p>Atomy Ticket APP</p>	<ul style="list-style-type: none"> • Providing Atomy Global Seminar information
	<p>Good Morning Atomy</p>	<ul style="list-style-type: none"> • A weekly online inquiry program that provides product news, the latest Korean and international news, and the business direction needed for Atomy's business operations

Sales and promotional support

	<p>Atomy Daily APP</p>	<ul style="list-style-type: none"> • Social media-type service that focuses on business through communication • Supports individual competency strengthening by automatically and continuously carrying out sales promotion activities such as promoting new products, notifying when to repurchase, and suggesting other products
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Business and product training

	<p>ABI</p>	<p>Atomy Business Invitation</p> <ul style="list-style-type: none"> • Atomy's consumer-tailored program, which introduces Atomy, its products and business to new members & consumers
	<p>ABC</p>	<p>Atomy Business College, 2023</p> <ul style="list-style-type: none"> • A training course to become an Atomy expert based on systematic Atomy business systems and learning

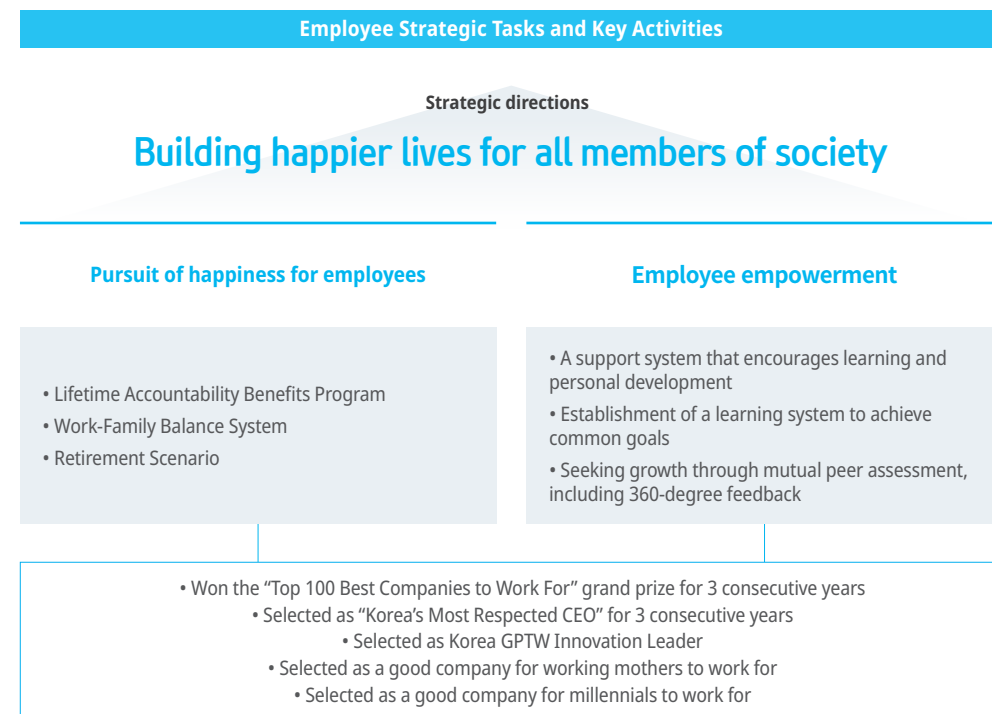
Employees

At Atomy, we want our employees to be happy by using the company as a means to an end. When employees are happy, they can focus on their customers without worrying about anything else, delivering the best products and services, and then the company grows on its own, creating a virtuous cycle.



Strategic tasks and key activities

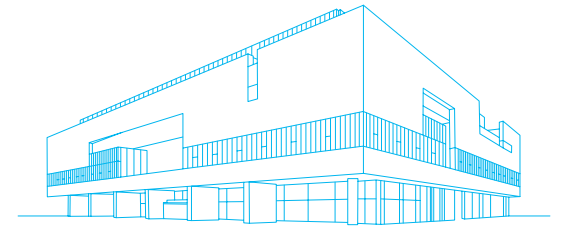
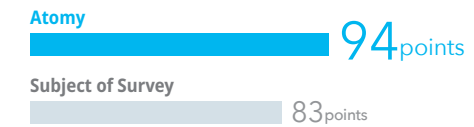
To achieve our goal of building a happy life for all members of society, we are carrying out the strategic tasks of pursuing happiness and empowering employees.



The "Top 100 Best Companies to Work for" grand prize for 3 consecutive years

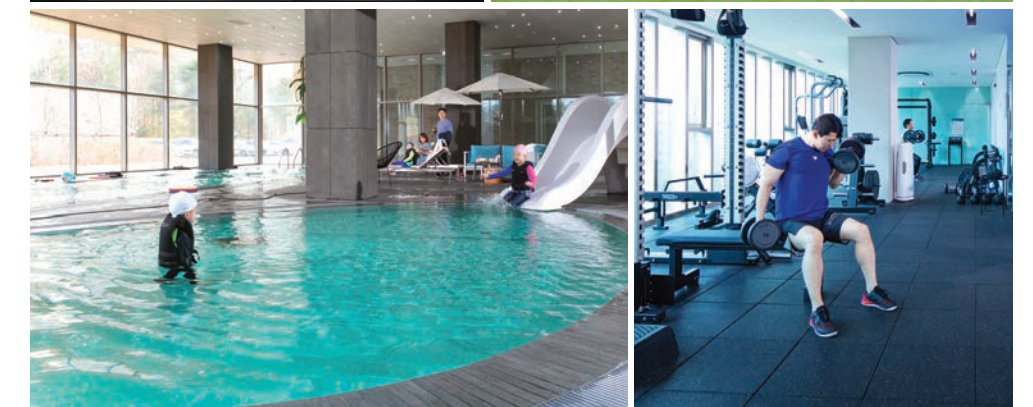
We have been honored by the Great Place To Work Institute (GPTW) Korea as one of the "100 Best Companies to Work For in Korea" for three consecutive years since 2020. The "100 Best Companies to Work For in Korea" is a global standardized selection system that is conducted in 70 countries around the world in Europe, Latin America, and Japan, using the same methodology as the "Fortune US 100 Best Companies". While the average score of the companies surveyed was 83, Atomy's average score was 94, with a particularly high score on the Trust Management Index.

Great Place to Work (out of 100 points)



Atomy 2022 GPTW diagnosis results key questions and scores (out of 100)

Our workplace has special or unique benefits.	I am proud of the social contributions of our workplace.	Our workplace has a physically safe work environment.	I believe that management will only cut people if they have no choice.	People at our workplace are treated fairly regardless of race.
98points	97points	96points	95points	94points
All things considered, our workplace is a great place to work.	I feel like I am contributing to the workplace.	At our workplace, there are many activities to celebrate things, big and small.	Our workplace has a great environment and infrastructure to work in.	The management shows a genuine interest in me as a person, not just an employee.
94points	94points	94points	93points	93points



Organizational culture

From a “profit” perspective, Atomy wants to be a company that is willing to be a “tool” for the happiness of its people, not a company that “squeezes” more performance out of them than the costs that were put in.

- Absolute goal**
 - Atomy continually reinforces communication about where the organization wants to go, and members are empowered to create and share their own vision.
 - We pursue unrivaled competitiveness by challenging absolute goals, not relative goals. One must reject the ordinary in favor of the extraordinary, and continually train one’s thinking muscles along with professional development.
- Getting rid of work is work**
 - Actively seek out improvements, eliminating unreasonable elements to do what is really needed. Instead of getting stuck in a given situation, one should always be setting new goals and constantly creating more creative and productive work.
 - In addition to specializing in each task, you must be a system maker that connects each function.
- Autonomous creativity**
 - We provide an environment in which people can make their own decisions and be creative, with unlimited trust in people.
 - With no rank system, flexible work arrangements, and no seating plans, work should be free, and transparent information sharing and informal discussions should be the norm.
- Amoeba organization**
 - Define work around goals and build teams around the people who can do it best, not job titles.
 - Atomy is an amoeba-like organization in which everything important happens in project teams with clear goals and timeframes, dividing and multiplying infinitely around a nucleus.
- Be Your Own Leader**
 - Soldiers do whatever they are told, but officers and generals have to make their own decisions. That is why at Atomy the emphasis is on be your own leader.
 - Our employees have the right to make decisions about their work and work at the highest level, and based on trust in each other, they are given authority but are not held accountable.
- A company where you work when you get tired of playing**
 - Atomy Park (the Atomy office) is a so-called “office of play” that blurs the line between a playground and workplace, paying employees for their thoughts, not their time.
 - We are aiming to create a true convergence space that can be used separately and together.
- Being a hyper-active helper with no solution**
 - Be proactive by being a hyperactive helper or multi-tasker who does not see a strict line between what is their job and what is the job of others.
 - Do not just push for what makes common sense, but be wacky enough to try things that do not seem possible.
- Own your work**
 - You can truly take ownership of your work when you do it yourself, not because you are told to.
 - Instead of being managed, supervised, and monitored, we seek to create an environment where you can be engaged, where you can take ownership of your own work.
- Chutzpah mindset**
 - “Chutzpah” is a Hebrew word that means boldness and brashness without regard to formality or authority and requires a proactive and challenging mindset that persists in asking questions, consulting, and finding the right answers.
 - The only thing worse than failure is not even trying because you are afraid of failing. Healthy failures should not be avoided.
- Self-development**
 - Constantly develop yourself so that you can define your own brand of “me”.
 - The ability to “synthesize,” to integrate knowledge from different areas to create something new, is also a key skill.

Status of employees

As of 2022, the total number of employees is 767. The ratio by region in 2022 was 39% in Korea and 61% overseas, with a high proportion of overseas personnel, and by gender, the male ratio was slightly higher, with 51.4% male and 48.6% female. The ratio of regular employees in 2022 was 87.9%, a slight increase compared to the previous year, and the distribution by age was 49.7% in their 30s, 22.2% in their 40s, 21.6% in their 20s, and 6.5% in their 50s.



Total number of Atomy employees (unit: persons)

Classification	2020	2021	2022
All	645	729	767
By region	Domestic	271	307
	Overseas	374	422
	Overseas Senior Manager	19	25
Gender	Female	318	384
	Male	327	345
By Employment Form	Full-time	575	635
	Temporary	70	94
By age	20s	201	197
	30s	325	338
	40s	88	147
	50s and over	31	47

* Total Number of Employees: Number of regular and temporary workers, excluding interns who have worked for less than 1 year at home and abroad
 * Korea: Based on Atomy Korea branch (Headquarters, Hongsamdan, Aza, Orot, Siloh Art)
 * Overseas: Based on Atomy overseas branches
 * International senior management positions: General Manager who is Branch Manager (BM) or higher
 * Overseas senior manager tasks: Establish and open a branch, hiring employees, and manage success seminar system to find new members and expand the market in the relevant country. Work with the government and other organizations for smooth multi-network marketing, and provide strategic support for product sourcing, design, planning, and export operations in consultation with headquarters.

Recruitment process

In order to set up a fair recruitment process in which people are judged on their skills and competencies rather than simply their qualifications, Atomy takes more time to evaluate each applicant through four rounds of in-depth screening, and we select talent by specifically validating their skills against job-specific characteristics.



Status of employees

Diversity and non-discrimination policies

As the global market expands, we are recruiting foreign students from Korea who understand the culture and customs of each country, have a good understanding of the local language and culture, and have Korean language skills. We are also actively recruiting talented women. As a result, the ratio of female employees in 2022 was 48.6% and the ratio of female unregistered executives was 33.3%, maintaining the ratio of European countries (30-40%).

Atomy diversity and non-discrimination policies

Policy	Content
Securing global diversity	• Employee ratio by region in 2022 (Asia 83.8%, North America 6.6%, Europe 4.9%, Central & South America 2.8%, Oceania 1.9%)
Recruitment of female talent	• Ratio of female employees: 48.6% (49.3% in 2020, 52.7% in 2021, 48.6% in 2022) • Ratio of female unregistered executives (16.7% in 2020, 37.5% in 2021, 33.3% in 2022)
Wage of women compared to men	• Ratio of the average salary of one woman to the average salary of one man in 2022 (87% basic salary, Base salary + year-end bonus 88%)
Employment of people with disabilities	• Number of employed people with disabilities (based on number of employees) (5 in 2020, 5 in 2021, 5 in 2022)






Pursuit of employee happiness

“Do not sacrifice for the company, but use the company for your happiness.” This is Atomy’s ideal view of a company’s role. As they join Atomy, we support our employees to live a happy life with a lifetime benefits program that supports work-family balance and life after retirement.

Lifetime Benefits Program

We help our employees live a “balanced life” by considering their entire life cycle. To this end, we operate a lifetime benefits program to help all of our employees live, love, learn, and contribute well.

Atomy’s key lifetime benefits program

Leisure and Culture		• Support for overseas expenses for families based on years of service • Monthly KRW 200,000 welfare expense support
Health		• Operation of facilities such as a company gym, swimming pool, etc. • Monthly in-house health counseling
Education		• Support for degree courses (graduate school education expenses) to cultivate an internal group of experts • Support for work-related education expenses • Support for book purchasing costs
Life		• Provide KRW 250,000 worth of company products per month • Birth subsidy of KRW 3 million for 1 or 2 children and KRW 10 million for 3 children • KRW 2 million in livelihood stipend for the first month of employment • KRW 200,000 per child per month for each household up to elementary school age (under 13)
Retirement		• Accumulate 2x severance pay starting from the year of employment • Provide opportunities to prepare retirement scenarios and to participate in retirement preparation training sessions • Since 2010, operated a 100% defined contribution retirement pension system for all employees

Employee empowerment

People who prepare for the future are the ones who not only grow with the company, but also drive the company’s growth. We support our employees’ growth by building on their functional expertise and encouraging continuous self-development.

Atomy employee empowerment policy * Based on Atomy headquarters employees, including interns (including overlapping personnel)

Policy	contents
A support system that encourages learning and personal development	• Education and training without budget restrictions • Support for degree courses to form an internal group of experts (70% tuition support) • Support for overseas business trips and dispatched work to become a global talent • Support for securing time for individual growth through the unpaid leave system • Encourage job transitions through a job market so that employees can choose and apply for the job they want to work in order to provide various opportunities and motivation
Establishment of a learning system to achieve common goals	• Chutzpah Workshop for “joint learning” (held twice a year, participation of Atomy subsidiaries and overseas branches) • Atomy Cyber Training Center (supports over 3,600 online learning programs) • Atomy College for acquiring corporate core values and strengthening job competencies (New hire onboarding process, C-level new leader training, C-level candidate training) • Customer-centered management in-house training
Seeking growth through mutual peer assessment, including 360-degree feedback	• Comprehensive assessment for regular performance and career development reviews

Chutzpah workshop for “joint learning”

Chutzpah workshops for collaborative learning are held twice a year and are open to all employees, including overseas branches. Financial statements are shared for each branch or job, establishing Atomy’s culture and talent and fostering a shared understanding and pride in the company. In particular, it serves as a place for communication between employees of Korean and overseas branches and enhances synergies through mutual work sharing.

Atomy College

To cultivate global talents who have acquired corporate core values and job skills, we conduct online and offline training units and reviews, including the new employee onboarding process, C-level new leader training, and C-level candidate training.



Atomy College

	Training content	Number of participants
2020	New hire onboarding process (Training and review for full-time new hires - 7-week course)	45
	C-level new leader training	8
2021	New hire onboarding process (Training and review for full-time new hires - 7-week course)	19
	C-level candidate knowledge training	20
2022	New hire onboarding process (Training and review for full-time new hires - 7-week course)	19
	Global Leadership Training	29
	Atomy DNA Keepers basic knowledge training (Interviewer basic knowledge training)	64

PROMISE 3.
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Social Contribution

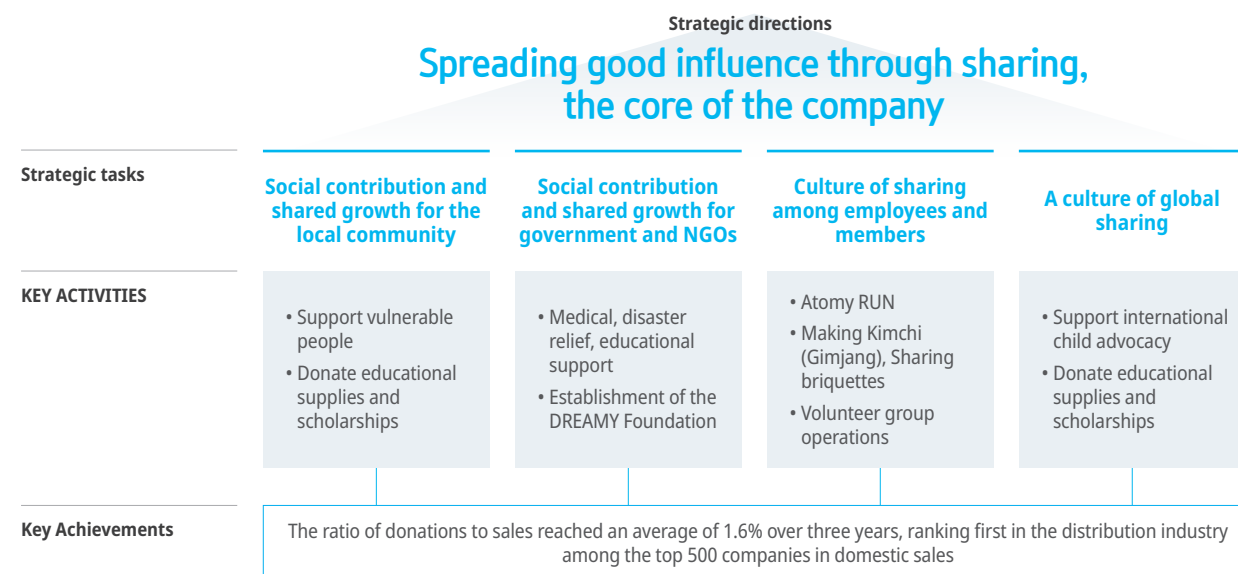
Based on the philosophy that our company is rooted in society and that the true path to connecting with society is through sharing, we have held social contribution activities every year since our founding. We will continue to contribute to the development of society by fostering a culture of sharing among the company, employees, and members.



Strategic tasks and Key activities

Atomy's donations rank among the highest in the network marketing industry, retail industry, and even among Korean Fortune 500 companies. The distribution industry to which Atomy belongs experienced a 10% increase in sales in 2021 compared to the previous year. However donations decreased by KRW 20.2 billion (14.3% ↓), resulting in a 0.02% drop in the donation-to-sales ratio. On the other hand, Atomy more than doubled its donations from KRW 24.8 billion in 2020, bringing its donation-to-revenue ratio to 2.04%. It was the only company in the household goods and retail industry, and the only one in the entire 2022 Fortune 500, to surpass a 2% as a percentage of its revenue. The ratio to operating profit is 18%.

Social contribution strategic tasks and Key activities



Atomy's donations-to-sales ratio reached an average of 1.6%, ranking first among the top 41 distribution companies in Korea.

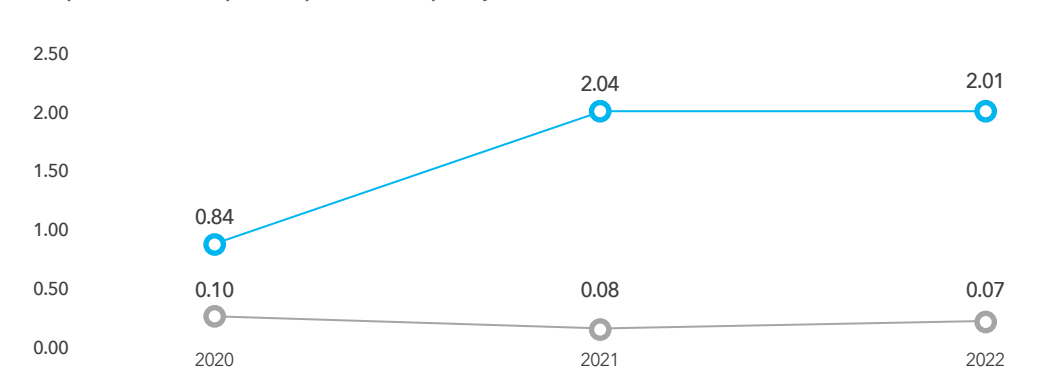
Areas and details of social contribution support for government and NGOs

Support Areas	2020		2021		2022	
	Atomy	Total of 41 distribution companies	Atomy	Total of 41 distribution companies	Atomy	Total of 41 distribution companies
Donations (KRW 100 million)	89	1,413	248	1,195	249	1,310
Sales (KRW 100 million)	10,544	1,416,046	12,158	1,574,350	12,388	1,758,007
Proportion (%)	0.84	0.10	2.04	0.08	2.01	0.07

* Distribution industry: 41 among the top 500 distribution companies in sales in 2022 (Source: CEO Score)

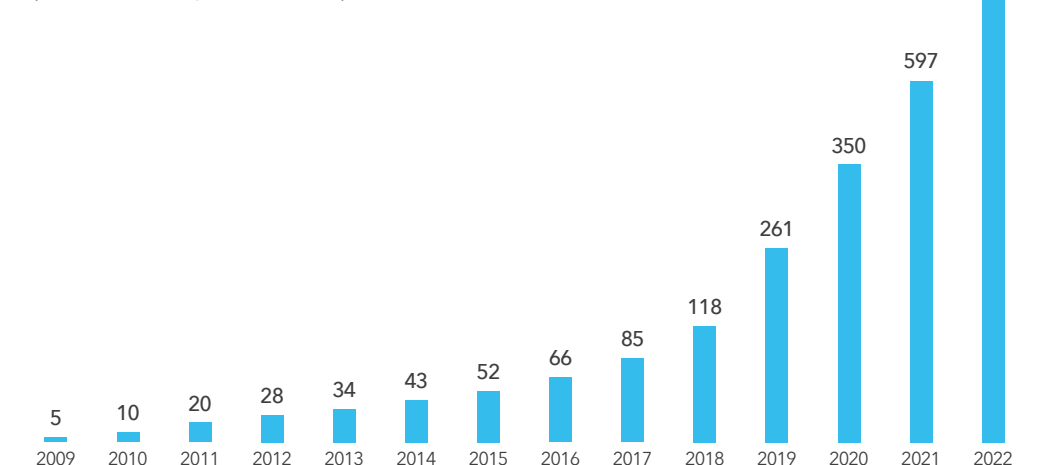
When examining the ratio of donations to revenue for the 41 distribution companies among the top 500 companies in domestic sales and Atomy's donations to revenue, we observe a nearly 8-fold increase in 2020, followed by a more than 20-fold increase from 2021 onwards.

The ratio of donations to sales for Atomy and 41 distribution companies within the top 500 companies over the past 3 years.



As a result of consistent donations starting with KRW 500 million in 2009, the cumulative donations have reached KRW 84.7 billion in 2022.

Cumulative amount of donations per year by Atomy Korea (unit: KRW 100 million, consolidated basis)



Social contribution and shared growth for the local community

Community outreach, which began shortly after the company's founding in 2009, continues in Gongju, where Atomy's head office is located. We regularly provide supplies to low-income families and socially vulnerable groups, donate educational equipment and scholarships to high schools, and provide necessary supplies to government offices and welfare facilities.

Areas and details of social contribution support for local community

Areas of support	Details
Low-income, multicultural, single-parent families	Donation of daily necessities, donation of support funds, etc.
Education	High school educational supplies, scholarship donations, etc.
Government Offices	Donate fire extinguishers and vehicles, sponsor local festival development funds, etc.
Welfare facilities for the elderly, children, and the disabled	Donation of daily necessities and support funds
Other	Support for the Goma Gongju Bread Sharing Project

CASE 1. Support vulnerable people

Helping vulnerable people in Gongju, Sejong, and Daejeon to resolve the difficulties they face. We support 100 low-income families in Gongju-si with Atomy products every month, and 600 families with our products during the Chuseok and Lunar New Year holidays. We also support local welfare organizations to help people from all walks of life.



CASE 2. Support for the Goma Gongju Bread Sharing Center

The Goma Gongju Bread Sharing Center was built under an agreement with Gongju-si to support low-income families and communities. In 2017, Atomy supported the operational expenses such as construction of the facility and related operating costs, including rent and materials, and provided bread to vulnerable people in the community through the Bread Sharing Volunteer Group. The Goma Gongju Bread Sharing Center goes beyond simple support activities and, as part of supporting cultural activities in the community, assists in children's bakery experiential learning. It also serves as a vocational education space for disabled individuals in the bakery field and is utilized as a daycare and learning space for vulnerable children.



CASE 3. Support for the Golden Lunch Box Project in Daejeon, Sejong, and Chungcheongnam-do

Due to the prolonged COVID-19 pandemic, vulnerable groups in blind spots are facing even more difficulties, and small business owners are also encountering economic challenges due to decreased sales. In 2021, Atomy partnered with the Korean Red Cross on a win-win donation project to help small businesses and underprivileged people. The project involved purchasing ingredients from the Gongju Sanseong Market and delivering them to vulnerable people in the form of lunch boxes.

Social contribution and shared growth for government and NGOs

Atomy provides support in the areas of medical care, disaster relief, education, etc., to support not only local communities, but also local government and NGOs in need, and regularly makes donations through various foundations such as local Red Cross offices, researchers, etc. The Dreamy Foundation was established in 2015 to do more outreach activities.

Areas and details of social contribution for governments and NGOs

Areas of support	Details
Medical	Support for open eye surgery, and establish a medical academic research institute
Disaster relief	Earthquake relief, water purification projects, donation of necessities and support funds
Education	Support for establishing of schools
Foundations, Community chests, researchers, etc.	Donations to the Community Chest of Korea, ChildFund Korea, World Vision, Multicultural Research Institute, etc.
Dreamy Foundation	Free school meal support and facility renovation project
Other	Distribution of care packages to military personnel, etc.

CASE 1. Donate KRW 26 billion to Compassion Korea and engage in regular sponsorship

Compassion is the world's only child-rearing organization that sponsors poor children in 25 countries around the world and provides holistic support until they become independent adults. We not only provide learning opportunities for children living in poverty until they become healthy members of society, but also continuously support them with regular health checkups and social-emotional care. In 2021, Atomy provided \$10 million (approximately KRW 12 billion) in support through Compassion Korea. The support from Atomy has been utilized for various emergency childcare supplementation projects, including aiding earthquake victims in Haiti, supporting those affected by COVID-19, developing youth care giving programs in Asia, sponsoring underprivileged children in the Asian region, and contributing to the Growing252 mission support. In December 2021, we established a regular partnership to provide KRW 50,000 per month to 10,000 children, for a total of KRW 500 million per month, for overseas child relief activities. In 2022, we donated an additional KRW 14 billion to help children around the world, including reconstruction in conflict areas in Ethiopia and COVID-19 support.



Social contribution and shared growth for government and NGOs

CASE 2. Single mother support project, "Mom who cherishes life"

In 2019, for single mothers across the country who are facing many difficulties in life, we donated KRW 6 billion for the construction of the nation's first community center for single mothers, KRW 3 billion for the public offering of 32 single-parent family welfare organizations nationwide, and KRW 1 billion for the public works of the Community Chest of Korea, for a total of KRW 10 billion. In addition, we provide regular sponsorship of KRW 100 million each year through Linker, an NGO that supports and protects single mother families in blind spots and supports holistic single mother care and education activities.



CASE 3. Support the construction of a public rehabilitation hospital for children in Jeollabuk-do

In 2020, we donated KRW 2.7 billion to build a public rehabilitation hospital for children, a national project promoted by the Presbyterian Medical Center in Jeonju. While most rehabilitation hospitals focus on treating the after-effects of accidents, children need more specialized hospitals and medical staff to provide professional assistance for psychological and mental issues in addition to physical treatment. However, there are no public rehabilitation hospitals for children in Korea due to deficits caused by low cases. We hope that Atomy's small contribution will serve as an opportunity to revitalize rehabilitation hospitals for children.



Support for public rehabilitation hospitals for children in Jeollabuk-do

Support for construction costs of Siloam Eye Hospital Light House

CASE 4. Support for the construction of the Siloam Eye Hospital and patient surgery and treatment costs

Beginning in 2016 with support for patients' eye opening surgery and eye disease research at Siloam Eye Hospital, a total of KRW 3.16 billion will be delivered until 2027, including support for clinics, laboratories, and medical staff housing.

Classification	Details	Donations
2016~2017	Eye opening surgery and medical support	KRW 160 million
2018	Establish an academic research institute	KRW 1 billion
2018~2027	Domestic and international eye opening surgery and medical support	KRW 100 million per year, total KRW 1 billion
2021	Construction of the "Light House," a lodging space for medical staff	KRW 1 billion

CASE 5. Donations and direct support for facility repairs through the Dreamy Foundation

The Dreamy Foundation is a missionary foundation established in 2015 and was established as an implementation tool to make the company mottoes of "Cherish the spirit" and "Serve in humility" not just a slogan, but a reality. We are also working to improve living and educational conditions in developing countries in Southeast Asia by regularly donating money for facility improvements and school supplies for students at the Patmerkot School in Cambodia and donating money to the Balasore Children's Home for the Disabled in India.

Culture of sharing among employees and members

Atomy RUN and other social contribution activities that Atomy employees and members participate in, such as flea markets, gimjang-sharing, and briquette-sharing, are conducted each year. In addition, we are promoting the introduction of a volunteer activity incentive system that recognizes volunteer activities as working hours, to encourage voluntary and continuous activities of our members. Atomy will continue to support employees and members to share and participate in corporate social responsibility through a culture of sharing.

CASE 1. Sharing gimjang kimchi and briquettes with love

Since 2013, we have been carrying out gimjang (the traditional process of preparation and preservation of kimchi) volunteer work with about 200 employees, members, and local volunteers every year and delivering it to vulnerable groups in the region. Since 2015, we have been recruiting volunteers from about 150 members every year to deliver briquettes. From seven regions (Gongju, Gwangju, Daegu, Daejeon, Busan, Wonju, Incheon) in 2015 to three additional regions (Gyeongju, Boeun, Buan) in 2016, the program is now active in as many as 10 regions, with a total of 300,000 briquettes delivered to 1,000 households, 100 in each region.



CASE 2. Love Sharing Flea Market

From 2016 to 2019, approximately 2,000 employees and members participated in the flea market. Proceeds from the flea market were donated to Siloam Eye Hospital and vulnerable local groups. We donated KRW 130 million in 2017, KRW 116.36 million in 2018, and KRW 100 million in 2019, for a total of KRW 346.36 million.



Culture of sharing among employees and members

CASE 3. Atomy RUN

Atomy RUN is Atomy's strategic social contribution activity that practices valuable sharing through running. Atomy RUN, which first started in the Taiwan office, was also held at the headquarters in Korea in 2018 and 2019, and all Atomy members, employees, and partnering companies implemented Atomy's culture of sharing by establishing healthy donations through running. All proceeds of the KRW 1 billion generated through Atomy RUN were donated to the Gongju-si Disabled Welfare Foundation and the Chungnam Cultural Foundation for disabled and vulnerable groups.



CASE 4. Young Leaders Volunteer Group

Among Atomy members, about 100 Young Leaders members and 20 employees in their 20s and 30s conducted volunteer work in eight regions across the country along with Atomy headquarters. They conducted volunteer activities, such as beach cleanups, replacing fluorescent lights to improve the living environment of vulnerable people, and they also installed insect nets and donated products to vulnerable people worth KRW 16.46 million in 2021 and KRW 117.45 million in 2022.



CASE 5. Imperial Sharing I'MPERIAL

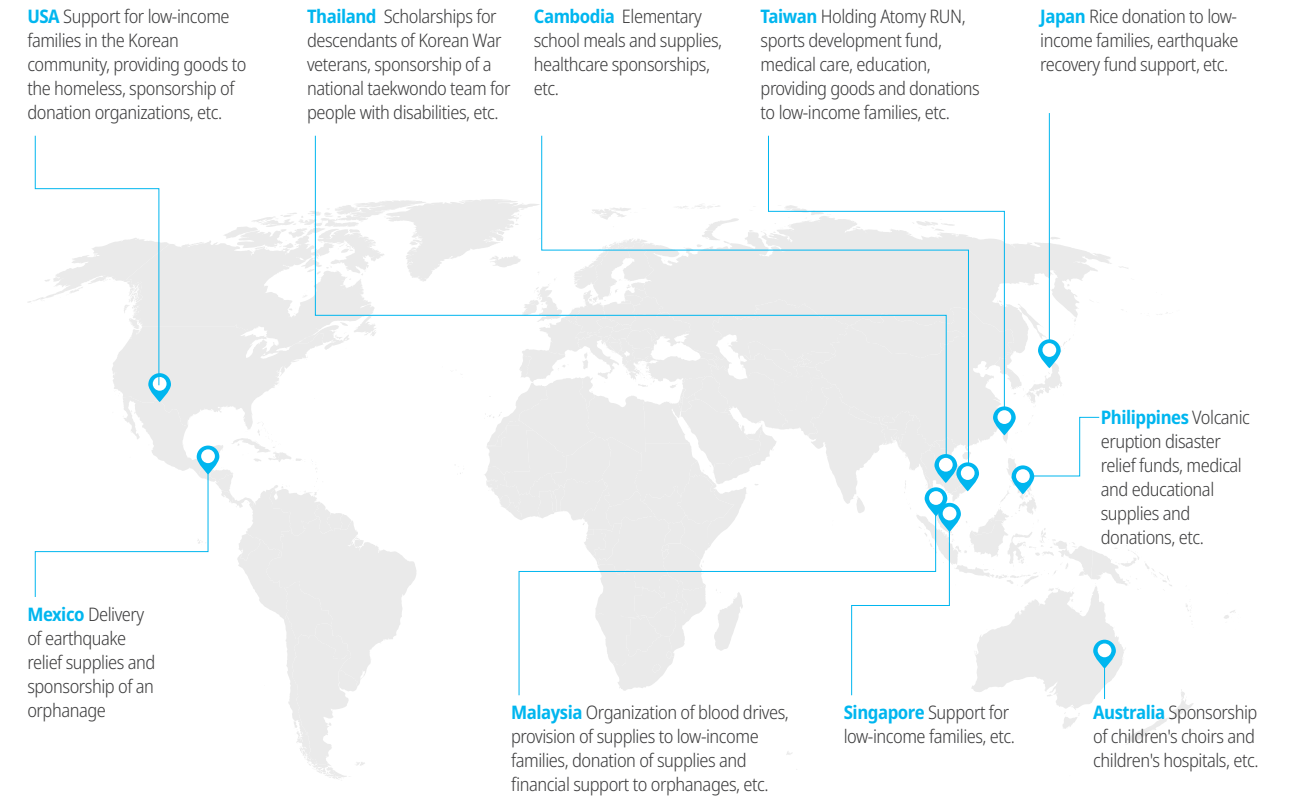
I'MPERIAL is a sharing project in which the seven Imperial Master members, the highest rank among Atomy members, plan and carry out the activities directly. They donated a total of KRW 321.87 million to support the living expenses of multicultural families, educational programs for literacy learners, construction of shelters for victims of abuse with disabilities, operating costs for orphanages and medical treatment for children, emergency relief efforts for COVID-19 victims in India, free meals for the homeless, and baby box child support and operating costs.



Global Sharing Culture

Atomy's sharing activities have spread overseas beyond Korea, and ongoing contribution activities are being carried out at Atomy branches around the world.

Global Sharing Culture - key activities



Respecting human rights

Atomy is driven by its motto, "Cherish the spirit," and promotes the universal value that when people are happy, society is happy, and only then can companies succeed. Based on these values, to prevent the risk of human rights violations throughout Atomy's operations, we have established Human Rights Respect Policies and are implementing them at our headquarters and global branches. Our commitment is to encourage our direct and indirect employees to comply with the policies.



Atomy Human Rights Policy

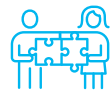
To achieve our goal of becoming a human-centric company that values the dignity and worth of all members of society, we have established nine human rights respect policies and are committed to implementing them. In addition, to manage our human rights respect policies, we share and discuss issues of human rights violations at the global regional heads' meeting, which is attended by the Chief Global Officer and the CEO, and then take appropriate remedial measures.

Directions



A human-centered company that values the dignity and value of all members of society

Atomy Human Rights Policy



- Principle 1** Atomy respects and supports domestic and international human rights principles, including the UN Guiding Principles on Business and Human Rights and the OECD Guiding Principles for Multinational Enterprises.
- Principle 2** Atomy prohibits discrimination in employment based on gender, education, age, race, ethnic origin, disability, and region of origin. Principle 2 For the same reasons, it prohibits discrimination in working conditions such as education, promotion, and wages.
- Principle 3** Atomy strives to create a safe and positive working environment for its employees.
- Principle 4** When selecting partnering companies, Atomy does this fairly and supports partnering companies, so that they can manage their business showing respect for human rights.

Violation of human rights and remedial measures

To identify and prevent human rights risks, we periodically solicit feedback from our stakeholders on our human rights-respecting management. We will continue to respect human rights in our management.

Atomy's major human rights respect policies, violations, and remedial measures

Prohibition of discrimination in employment and working conditions <ul style="list-style-type: none"> Number of infringements: 0 cases Operating a cultural policy of securing diversity and inclusion Operation of ethics counseling and reporting center 	Provision of a safe and positive working environment <ul style="list-style-type: none"> Number of infringements: 0 cases Operation of ethics counseling and reporting center
Fair selection of partnering companies and support for management that respects human rights for partnering companies <ul style="list-style-type: none"> Number of infringements: 0 cases Operation of partnering companies selection policy and purchase price policy 	Protection of human rights and personal information of customers and members <ul style="list-style-type: none"> Number of infringements: 0 cases Real-time management with the formation of a personal information protection organization Creation and holding of deposits related to personal information protection compensation in a separate account
Respect for the human rights of community members <ul style="list-style-type: none"> Number of infringements: 0 cases Reflected in human rights respect policies through the exchange of corporate-related complaints and cooperation measures throughout the region 	Prohibition of child labor and compliance with international labor principles <ul style="list-style-type: none"> Number of infringements: 0 cases Together with Compassion Korea, plan to share information about and cooperate with overseas child relief activities
Prevention of environmental pollution and global warming <ul style="list-style-type: none"> Number of infringements: 0 cases Compliance with environmental laws and regulations Eco-friendly product renewal and Blue Marine Project 	

Human Rights Training Program

Year	Details
2020	<ul style="list-style-type: none"> Disability awareness and anti-bullying and sexual harassment training (2 hours) * Replaced with online training due to COVID-19
2021	<ul style="list-style-type: none"> Disability awareness and anti-bullying and sexual harassment training (2 hours) * Replaced with online training due to COVID-19
2022	<ul style="list-style-type: none"> Disability awareness and anti-bullying and sexual harassment training (2 hours) * Replaced with online training due to COVID-19

Management Plan



- When human rights violation issues arise, they are shared and discussed through a global regional heads meeting attended by the CGO (Chief Global Officer) and CEO.
- Training of employees on human rights respect policies

Human Rights Training Program

CASE 1. Culture of diversity & inclusion

We have a cultural policy in place to ensure diversity and inclusion. We are preparing for English to be the preferred language company-wide, and are hiring and training locals to ensure that we are hiring without discrimination based on language, race, or nationality. In addition, we foster global leadership talent through a global job market and pursue a horizontal culture by breaking down hierarchies and using English names. In order to embrace a wide range of connections not only globally but also in Korea, we provide relocation support for those with connections outside of Gongju and Sejong.



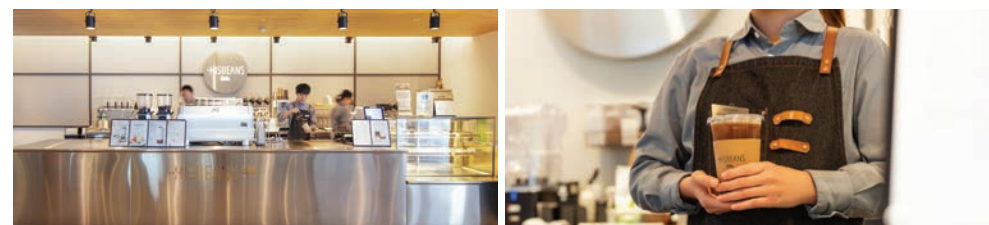
CASE 2. 0% turnover rate in 2022, human rights protection for the Customer Happiness Center counselors

We operate various welfare systems and healing programs to protect the human rights of those who perform emotional labor. Given that the majority of our agents are women, we have a differentiated maternity protection leave and leave system. Furthermore, for agents with more than one year of service, we offer programs such as child care leave for children entering school and reduced working hours for emergency child care. Above all, we provide our Customer Happiness Center employees a high level of discretion and respect their decision-making rights as much as possible. As a result of these efforts, the Customer Happiness Center, the Atomy call center, has had an average turnover rate in the single digits from 2017 to 2021. Notably, it was at 0% in 2022, which is 1/10 of the industry average.



CASE 3. "HISBEANS Coffee" is operated so that all members of society can be happy.

Atomy operates a HISBEANS Coffee café in Gongju, where the company is headquartered, in collaboration with the social enterprise Those Who Make Scents Co., Ltd., to create employment, independence, and to promote inclusion for people with disabilities. HISBEANS Coffee is the coffee brand of Those Who Make Scents Co. Ltd, a social innovation company that trains professional baristas with disabilities to create a culture of working together. HISBEANS Coffee's vision of a world where people work happily together with other people with disabilities aligns with Atomy's human rights policy.



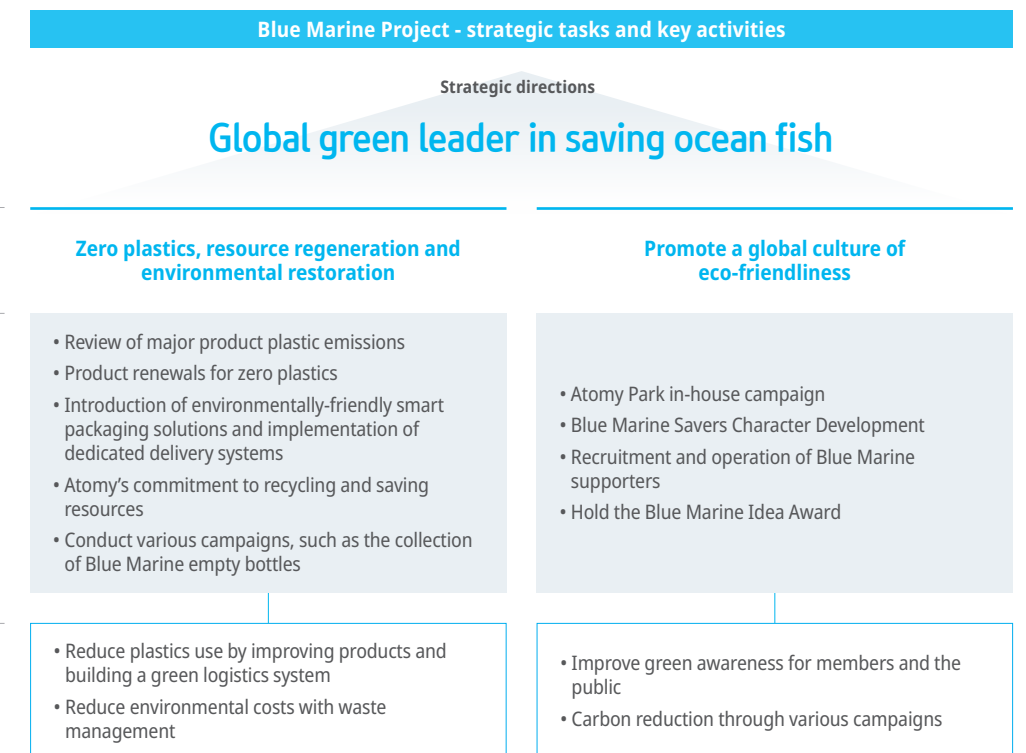
Blue Marine Project

The climate change crisis, such as El Niño, La Niña, or the melting Arctic, has become a matter of survival and changed our daily lives. Accordingly, governments are implementing environmental policies. Atomy also recognizes that environmental conservation is an urgent issue that cannot be delayed, and strives to achieve sustainable coexistence with the Earth and conservation of the marine environment through the Blue Marine Project.



Strategic tasks and key activities

Atomy is implementing Blue Marine projects under three visions to achieve its goal of being a global green leader in saving ocean fish: zero plastics, resource regeneration and environmental restoration, as well as promoting the spread of a global eco-friendly culture.



Zero plastics, resource regeneration and environmental restoration

Atomy first reviewed the plastics emissions of each product in order to achieve zero plastics, recycle resources, and restore the environment, and is carrying out product renewal activities to achieve zero plastics.

Product renewals for zero plastics

Atomy started the Blue Marine project in 2021 and reduced plastics usage by about 363 tons (8%) compared to the 2020 usage. To achieve zero plastics, we expanded the use of biodegradable plastics and eco-friendly materials and set a goal of reducing product plastic by 50% by 2030. To this end, we plan to monitor the improvement status and reduction rate of subsidiary materials, renew the standard product list, such as by reducing package volume size, changing to eco-friendly subsidiary materials and developing new subsidiary materials and eco-friendly new products.

Product Green Renewal Examples

Plastic

Atomy Slim Body Shake changed from PET containers to a pouch type

Atomy Oral Care Gift Set removed the plastic trays and reduced the outer packaging size

Atomy Deep Ocean Water removed the labels and reduced the plastic weight

Paper

HemoHIM removed the headpad and reduced the weight of the set box and single box.

Atomy Toothbrush removed plastic trays from compact toothbrushes and applied paper packaging

Atomy Toothpaste Use of CCP R30 paper (30% recycled paper)

Other

Atomy Ethiopia Single Origin Latte changed from aluminum cans to tetra pack packages

Atomy Salted Mackerel reduced the styrofoam ice box size and replaced with eco-friendly paper cushioning material.

Replaced PE material air cap cushioning material with eco-friendly paper cushioning material



Zero plastics, resource regeneration and environmental restoration

Introduced green smart packaging solutions

With CJ Logistics, we are saving more than 200 tons of plastic each year by converting cushioning materials and box tapes into recyclable paper materials and building environmentally friendly smart packaging solutions that modernize the packaging process to reduce plastic vinyl used in packaging operations and prevent over-packing.

Atomy's commitment to recycling and saving resources

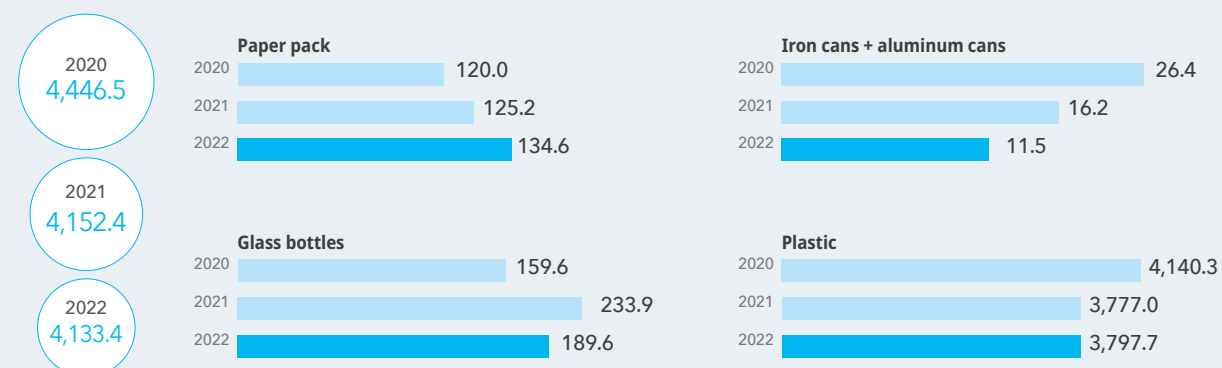
In accordance with Article 16 of the Act on Saving Resources and Promoting Recycling and Article 18 of the Enforcement Decree, we joined the Korea Packaging Recycling Cooperative in 2013. Through this, we are operating in compliance with the Extended Producer Responsibility (EPR). In addition, we are sharing the operation details of the EPR system with our partnering companies and improving their eco-friendly awareness. In addition, we are paying a contribution to the Recycling Cooperative to jointly fulfill our recycling obligations, and submitting data on sales and receipt of products and packaging materials to the Korea Environment Corporation in accordance with relevant laws.

* Extended Producer Responsibility (EPR): A system that imposes a certain level of recycling obligation on the producer of a product, or the producer of a product using packaging materials, to recycle the waste of the product or packaging materials, and if the producer does not fulfill this obligation, a non-recycling levy is imposed on the producer over and above the cost of recycling.

* Atomy's commitment to recycling and saving resources: Four types of packaging materials: paper, metal cans, glass bottles, synthetic resins and batteries, etc.



Atomy raw material usage (unit: ton)



* Based on the sales weight, the amount paid as a contribution to the Recycling Cooperative of the Resource Recycling Act shall be applied as the calculation basis
* Figures include new products

Atomy Blue Marine Project Master Plan

STEP	STEP 1. INDUCING AWARENESS AND SPEEDING UP		STEP 2. STABILIZATION	STEP 3. EXPANSION	
YEAR	2021	2022	2024	2027	2030
Zero plastics	Renewal of green products Development of green products		Product development Product improvement Eco-friendly material development Logistics development/reorganization	Assessing ease of recycling Improving recycling methods Plastics monitoring Logistics development/reorganization	50% reduction in plastics
Promote a global culture of eco-friendliness	Blue Marine Supporters Blue Marine savers character branding success promotion		Character branding external cooperation internal/external campaign	Member training Cultural business Promotion of domestic/international seminars Finding eco-friendly talent	Improve global member awareness
Resource regeneration and restoration	Empty bottle collection campaign		Empty bottle collection campaign, Upcycling, Recycling, Environmental cleanup activities	Atomy Garden ESG Atomian RUN product development	Establishment of a resource regeneration system for all Atomy products

Zero plastics, resource regeneration and environmental restoration

Reduce environmental costs with waste management

In accordance with Article 10 of the Enforcement Decree of the Act on Saving Resources and Promoting Recycling, Atomy is committed to reducing the environmental costs associated with waste management through waste generation reduction and efficient recovery and processing during the manufacturing and distribution stages. We have been paying waste levies to the Korea Environment Corporation since 2013, which are used for the purchase and storage of recyclable resources, projects for recycling waste, installation of and support for waste treatment facilities, research and technology development for efficient recycling and reduction of waste, waste recovery and recycling costs for local governments, and other purposes.

Promote a global culture of eco-friendliness

Atomy Park in-house campaign

Atomy's employees working at Atomy Park also recognize the climate crisis as an environmental issue and are conducting an in-house campaign to create an eco-friendly company culture. Our employees are taking action to help protect the environment through easy-to-implement campaigns that anyone can participate in, such as using toilet paper sparingly, properly recycling, using double-sided paper, and using tumblers and reusable cups.

Atomy Park in-house campaign

Timing	Campaign	Details
Weekly	Share eco-friendly information on in-house bulletin board	Weekly posts by Task Force member
April 2021	Toilet paper saving campaign	Korean Arbor Day campaign for reduction of toilet paper usage
April 2021	Proper recycling campaign	Guide to trash bin segmentation and separate disposal of recyclable waste
April 2021	Campaign for the use of double sided paper and eco-mode printing	Encouraging use of electronic documents and double sided paper
May 2021	Blue Marine commitment event	Share eco-friendly commitments and present Blue Marine reusable tumblers
May 2021	ZERO Employee Cafeteria Leftover Food Campaign	Reducing food waste, eco-friendly product event
June to August 2021	Atomy Park Empty Bottle Collection Campaign	Build upcycled benches by collecting empty bottles from Atomy products
August 2021	HISBEANS Coffee X Blue Marine reusable cup use campaign	Achieving zero plastic in-house by limiting the use of HISBEANS Coffee disposable cups
October 2021	In-house disposable plastic bottle elimination campaign	Achieving zero plastic in-house by limiting in-house deep sea water orders through SCM Providing awareness through an installation of plastic bottles collected over one week
March 2022	Blue Jean Campaign	Upcycling jeans into eco cup holders
April 2022	ZERO Employee cafeteria leftover food campaign	Reduce food waste, give away upcycled products Events
July 2022	Gongju Geumgang Plogging	Cleaning of the Geumgang Riverside area

CASE 1. Blue Jeans Campaign

In March 2022, Atomy employees and Young Leaders participated in a Blue Jeans campaign to collect a total of 125 pairs of jeans and upcycle them into eco cup holders. Upcycling goes beyond simply recycling products and creates new added value, such as adding design, to create new products. It reflects Atomy's eco-friendly policy of using resources more efficiently by recycling products. Through upcycling, 33 kilograms of carbon was reduced for each pair of jeans, with a total of 4,125 kilograms of carbon reduced by upcycling 125 pairs.

Promote a global culture of eco-friendliness

CASE 2. Atomy Park Empty Bottle Collection Campaign

In 2021, Atomy, together with TerraCycle, a global recycling company, conducted an empty bottle collection campaign to achieve zero plastics and practice resource circulation. About 800 education centers participated in the empty bottle collection campaign. The operation involved collecting properly disposed empty bottles in collection boxes provided at participating centers. Upcycled benches were made using these empty bottles and placed in Atomy Park, the headquarters.



CASE 3. Blue Marine Savers character development

We launched Blue Marine Savers, characters from the Blue Marine Project, as a cultural project to make complex environmental issues approachable. Blue Marine Savers, the "guardians of the blue sea", were inspired by endangered sea animals such as polar bears, seals, penguins, and arctic foxes. They are designed using white and blue colors that represents the identity of Atomy. By developing the Blue Marine Savers characters, we used them to create KakaoTalk emoticons, conduct Instagram events, participate in design festivals, and produce goods and animations.



CASE 4. Recruitment and operation of Blue Marine Supporters

Since 2022, Blue Marine Supporters has been promoting a number of activities to encourage employees, members, and consumers to recognize the importance of eco-friendliness. Blue Marine Supporters received a variety of experiences and merchandise in addition to a small stipend to support their activities. In addition, we ensured that volunteer hours were recognized for offline eco-friendly volunteer work. After the activity was completed, teams with excellent performance were awarded gifts.



CASE 5. Blue Marine Idea Award

In 2021, we held an award ceremony to discover eco-friendly ideas that align with Blue Marine's three major visions: "Zero Plastics", "Leading the Spread of Global Eco-Friendly Culture", and "Restoration of the Marine Environment Through Resource Regeneration". Anyone interested in the eco-friendly Blue Marine campaign was able to participate, and the winner was awarded a prize of KRW 100 million.

CASE 6. Environmental cleanup activity "Beach Clean Campaign"

In 2021, the Atomy Young Leaders Club and about 50 employees participated in an environmental cleanup, picking up trash in the coastal area, including the beach and Daewangam Park. The Beach Clean Campaign, which is part of Atomy's eco-friendly "Blue Marine," campaign, was carried out at the suggestion of the "Young Leaders Club," a group of Atomy members in their 20s and 30s. They organized the Beach Clean Campaign after hearing that trash left by tourists around Ilsan Beach in Ulsan-si was destroying the marine ecosystem and they also said that they will continue to help preserve the marine ecosystem through environmental protection activities.









CASE 7. Eco-friendly Mentoring Training

In October 2022, we conducted eco-friendly mentoring training for about 800 members interested in environmental protection at six Atomy education centers. We introduced the Blue Marine Project and the Empty Bottle Collection Project and showed them green activities they can do in their daily life. We also created upcycled products using DIY sets, and after the training, we also participated in plogging activities near the center.



**Energy usage
reduction
activities**

<p>Turn off office lights and install high-efficiency LED bulbs</p> <p>Turn off the lights in the office during lunch hours (50% excluding essential lights) and install high-efficiency LED bulbs</p> 	<p>Adjust cooling and heating schedules and utilize late-night electricity</p> <p>Heating (from 42 to 60 days) and cooling (from 72 to 90 days) date adjustments, and installation of an internal thermal contraction system to make use of off-peak electricity.</p> 
<p>Low Carbon Lunch Day</p> <p>Carbon reduction through 30% reduction in leftover food (promote twice a year)</p> 	<p>A company without disposable cups</p> <p>Plastic replace with CX material Zero disposable cups at in-house cafes through the introduction of eco-friendly cups</p> 
<p>Cleanup activity in Geumgang Shin-gwan Park, Gongju City</p> <p>Plogging carried out by the employees</p> 	<p>Upcycling Campaign</p> <p>Collection of jeans, production and distribution of upcycled reusable cup holders</p> 

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ESG Data

Economic Performance

Consolidated Financial Statement Summary (as of the end of the business year, unit: KRW 1 million)

Category	2020	2021	2022
Current assets	457,053	561,106	605,386
Non-current assets	237,082	312,728	292,560
Total assets	694,135	873,834	897,946
Current liabilities	155,334	199,712	182,000
Non-current liabilities	2,606	3,961	8,473
Total liabilities	157,940	203,673	190,473
Capital	1,000	1,000	1,000
Capital surplus	94	94	-111
Capital adjustment	-9	-9	-
Accumulated other comprehensive income	-140	11,528	6,339
Retained earnings	535,250	657,547	695,025
Total capital	536,195	670,161	707,472

Income Statement Summary (unit: KRW 1 million)

Category	2020	2021	2022
Sales	1,054,364	1,215,764	1,238,819
Cost of Goods Sold	667,498	742,574	698,316
Gross profit	386,866	473,190	540,504
Sales and management expenses	208,996	288,971	398,387
Operating profit	177,870	184,219	142,117
Non-operating profit	30,278	49,675	47,874
Non-operating expenses	40,655	51,792	67,221
Net income before corporate tax deduction	167,493	182,102	122,771
Corporate tax expenses	31,135	39,805	30,078
Net Income	136,358	142,297	92,692

Economic value created (Consolidated basis, Unit: KRW 1 million)

2020	2021	2022
1,590,466	1,930,682	1,991,422

* Total sales and general commission paid to members

Environmental performance

Economic value distribution (consolidated basis, unit: KRW 1 million)

Stakeholders	2020	2021	2022
Partnering companies	666,313	740,057	694,420
Customers and members	536,103	714,919	752,603
Government	39,135	60,513	42,654
Employees	36,554	50,520	78,153
Society	8,907	24,762	24,924
Shareholders and Investors	19,584	20,000	60,000
Creditors	3	5	59
Total	1,306,600	1,610,775	1,652,812

Greenhouse gas emissions (unit: tCO2eq, KRW 100 million)

Atomy	Classification	2020	2021	2022
Scope1	City gas (LNG)	0.280	0.346	0.411
Scope2	Power	540	557	649
Total (tCO2eq)		540	558	650
Energy intensity (KRW unit based on sales) (tCO2eq/KRW 100 million)		0.05	0.05	0.05

Hongsamdan	Classification	2020	2021	2022
Scope1	City gas (LNG)	867	645	291
Scope2	Power	797	844	736
Total (tCO2eq)		1,663	1,489	1,027
Energy intensity (KRW unit based on sales) (tCO2eq/KRW 100 million)		11.38	12.81	8.82

* Based on Atomy headquarters and manufacturing subsidiaries (Hongsamdan)

Raw material usage (unit: ton)

Item	2020	2021	2022
Paper pack	120.0	125.2	134.6
Glass bottles	159.6	233.9	189.6
Iron cans + aluminum cans	26.4	16.2	11.5
Plastic	4,140.3	3,777.0	3,797.7
Total	4,446.5	4,152.4	4,133.4

* The calculation basis for the amount paid as a contribution to the Recycling Cooperative under the Resource Recycling Act shall be determined based on the sales weight.

* Figures include new products

Environmental performance

Energy and water usage (unit: kWh, kg)

Atomy	Classification	2020	2021년	2022년
Electricity	kWh	1,175,892	1,212,922	1,413,225
Gas	kg	128	158	158
Water usage	m ³	7,918	8,199	13,863

Hongsamdan	Classification	2020	2021	2022
Electricity	kWh	1,733,896	1,837,941	1,602,382
Gas	kg	234,987	174,914	78,850
Underground water usage	Ton	3,754	3,416	3,015
Recycled water	Ton	-	-	-
Ratio of recycled water	%	-	-	-

* Based on Atomy headquarters and manufacturing subsidiaries (Hongsamdan)

* Atomy headquarters uses only tap water, and domestic sewage is treated at a final treatment facility.

Hongsamdan	Unit	2020	2021	2022
Wastewater discharge	Ton	1,897	812	128
BOD	mg/L	166	104	
COD	mg/L	130	42(TOC)	Not measured
SS	mg/L	91	18	

* Starting from 2021, COD has been completely revised to TOC measurement.

* Hongsamdan's business address, Gongju Bomul Agricultural Industrial Complex, is strictly managed to comply with and even exceed the separate emission permit standards.

** Atomy is considering reusing used condensate from steam boilers in order to utilize and exchange shared water resources. In addition, we are in the process of establishing the standards for wastewater discharge during industrial wastewater treatment to improve efficiency and prevent additional environmental pollution, with a set of pH limit of 8.6 or lower and a temperature limit of 40°C or lower.

Waste discharge (unit: ea., ton)

Type	Unit	2020	2021	2022
Household waste	75L bags (ea.)	-	176	211
	100L bags (ea.)	280	88	105
Food waste	1000L	18	24	34
Recycled waste	ton	12.2	11.9	14.3

Hongsamdan	Unit	2020	2021	2022
Recycling of waste synthetic resins (Manufacturing of intermediate processing waste)	Kg	8,240	9,140	2,270
Intermediate disposal of other waste (General incineration)	Kg	1,780	-	-
Waste organic solvent	Kg	-	490	-
Total	Kg	10,020	9,630	2,270

* The Atomy headquarters serves as a member training facility. In 2020 and 2021, events were limited due to COVID-19, but from 2022, restrictions have eased and events are being held. As a result, the food consumption has increased to about double the usual amount.

* Hongsamdan's waste emissions are based on reporting waste emissions and treatment performance.

Environmental performance

Violation of environmental laws and regulations (unit: cases)

Classification	2020	2021	2022
Number of violations	0	0	0

Atomy Major Product Eco-friendly Renewal Case (Completed)

Product name	Period of application	Renewal details
Refill Products	2016-	Atomy Liquid Laundry Detergent, Fabric Rinse, Stain Remover, Floor Cleaner, Tape Cleaner, Peeling Pad, Hair Roll, Absolute 24K Gold Night Mask, Absolute Urban Shield Sun Cushion, Absolute Honey Ginseng/French Rose/Hinoki Clay Mask
Cushioning materials	2019	• Replaced PE material air cap cushioning material with eco-friendly paper cushioning material
Atomy Skincare 6 System (currently Atomy Skincare System The Fame)	2019	• Reduced packaging volume by changing double containers to single containers (-15.7%) • Reduction of plastic weight
Atomy Calming Skin	2020	• Reduced packaging volume by changing double containers to single containers (-44%) • Reduction of plastic weight
Again Serum	2020	• Reduced packaging volume by changing double containers to single containers (-35%) • Reduction of plastic weight
Atomy Slim Body Shake, 4 types	2020	• Changed from PET containers to pouch type
Atomy Salted Grilled Mackerel	2021	• Reduction of iceboxes for Salted Grilled Mackerel
Atomy Oral Care Gift Set	2021	• Removed plastic trays and reduced external packaging sizes
Atomy Anti-Pollution Mask KF 94/80	2021	• Changed from individual pouches to 5-mask-pouches (KF 94/ KF 80)
Atomy Toothbrush/Compact Toothbrush	2021	• Removed plastic trays and applied paper packaging
Atomy Toothpaste	2022	• Applied Neo CCP R30 paper (30% recycled paper)
Atomy Ethiopia Single Origin Latte	2022	• Changed aluminum cans to tetra pack paper
Atomy Deep Ocean Water	2022	• Removed labels and reduced plastic weight
Adelica Holiday/Blooming Edition	2022	• Applied paper palettes
Absolute Wash Off Mask 3 types	2022	• Applied refill containers
Liquid laundry detergent/fabric softener	2022	• Applied refill pouches
HemoHIM	2022	• Removed the head pad and reduced the weight of set box and single box

Atomy main products - examples of eco-friendly renewal and development (in progress and expected)

Product name	Renewal details
Packaging box (kelp, soy sauce, blueberry juice, organic mineral raw sugar, nutritious nuts, freshly squeezed orange juice, fresh grapefruit juice, etc.)	• Strings and plastic handles removed or replaced with paper handles • Changing from laminated (vinyl) paper to 100% recyclable paper • Changed from ink that is harmful to the environment and the human body to 100% biodegradable ink • Adhesive with ink that is harmless to the humans
Promotional print materials	• Removed matte laminating after printing • Applied eco-friendly-certified paper and soybean oil printing
Bamboo Toothbrush	• Development of a toothbrush using bamboo, an eco-friendly material

Social performance

Employees (unit: number of people)

Classification	2020	2021	2022	
All	645	729	767	
By region	Domestic	271	307	299
	Overseas	374	422	468
Gender	Female	318	384	373
	Male	327	345	394
By employment type	Full-time	575	635	674
	Temporary	70	94	93
By age	20s	201	197	166
	30s	325	338	381
	40s	88	147	170
	50s and over	31	47	50

* Total Number of Employees: Number of full-time and temporary employees, excluding interns who have been with the company for one year or less, both in Korea and abroad

* Korea: Based on Atomy Korea branch (Headquarters, Hongsamdan, Aza, Orot, Siloh Art)

* Overseas: Based on Atomy overseas branches

* Global senior management positions: General Manager who is BM (Branch Manager) or higher

* Overseas senior manager tasks: Corporate management and operational management, including establishment and opening of a branch and employee recruitment, overseeing the operation of the membership seminar system to recruit new members and expand the market in the relevant country, a cooperation representative with the government and each organization for smooth multi-network marketing operations, strategic support, design, planning, export (in consultation with headquarters), organization and operational management for product sourcing

Number of new hires (unit: number of people)

Classification	2020	2021	2022	
All	210	179	106	
By region	Domestic	87	68	23
	Overseas	123	111	83
Gender	Female	103	97	68
	Male	107	82	38
By age	20s	103	96	42
	30s	76	55	46
	40s	25	25	15
	50s and above	6	3	3

* Total Number of Employees: Number of regular and temporary workers, excluding interns who have worked for less than 1 year at home and abroad

* Korea: Based on Atomy Korea (Headquarters, Hongsamdan, Aza, Orot, Siloh Art)

* Overseas: Based on Atomy overseas branches

Social performance

Number of people who have left the company (unit: number of people)

Classification	2020	2021	2022	
All	59	93	86	
By region	Domestic	45	46	25
	Overseas	14	47	61
Gender	Female	28	48	50
	Male	31	45	36
By age	20s	38	46	35
	30s	9	30	29
	40s	11	12	13
	50s and above	1	5	9

* Total Number of Employees: Number of regular and temporary staffs, excluding interns who have worked for less than 1 year at home and abroad

* Korea: Based on Atomy Korea (Headquarters, Hongsamdan, Aza, Orot, Siloh Art)

* Overseas: Based on Atomy overseas branches

Diversity and equality (unit: %, number of people)

Classification	Unit	2020	2021	2022
Ratio of female employees	%	49.3	52.7	48.6
Ratio of female unregistered executives	%	16.7	37.5	33.3
Number of disabled employees	person	5	5	5

Ratio of employee wages to the highest salary earner

Classification	2020	2021	2022
Ratio	4.1%	3.8%	4.1%

* Wage: Based on average salary and bonus

* Employee wages exclude the Chairman and HISBEANS Coffee baristas

Work-family balance system (unit: number of people, %)

Category	Unit	2020	2021	2022	
Maternity leave	Female	person	3	-	1
	Male	person	7	6	2
Parental leave	Female	person	3	2	4
	Male	person	-	2	2
Return rate after parental leave	%	100	100	67	
Retention rate (12 months)	%	100	100	100	

Social performance

Training (unit: number of people, KRW)

Classification	Unit	2020	2021	2022
Total benefit costs	KRW	2,896,473,000	5,141,009,000	7,002,013,000
Total training costs	KRW	289,331,180	630,403,625	1,213,496,626
Total staff undergoing training	person	220	243	234
Training cost per person	KRW	1,315,142	2,594,254	5,185,883

* Based on all full-time employees at Atomy headquarters, including interns (including overlapping employees)

Atomy Cyber Training Center opening process

IT/OA	Management Duties	Leadership	Business	Trade/Logistics	Foreign Language
185	509	317	563	79	1,965

Number of Authenticity Management trainings conducted

	2020	2021	2022
	2	2	5

Ratio of employees who have received regular performance reviews and career development evaluations

(unit: %)

At Atomy we conduct 360-degree feedback evaluations regularly for our employees performance and career development, in which “honesty,” “principle-centered” attitude, and “top-oriented” qualities are evaluated.

Classification	2020	2021	2022
Male	100	100	100
Female	100	100	100

Employee evaluation and reward

Using HR-related management indicators such as HCROI, sales per person, and sales per labor cost, and the Global Pay Summary report of Global HR Consulting Mercer, Atomy sets up wage adjustment funds in consideration of internal and external environments. Then, we calculate a base adjustment rate that takes into account the number and distribution of people across job levels and salary bands, and then apply additional individualized adjustments using a 360-degree merit approach that reflects the weight value of peers, leaders, and top management. The direction and details of these adjustments for the current year are shared with employees through a “CEO Letter” explaining our pay structure and adjustments.

* Atomy's entry-level wage for college graduates is KRW 9,160 per hour with 209 hours of work per month with paid weekly vacation, which is 283% higher than the 2022 minimum wage.

Health and safety training personnel and training hours

Year	2020	2021	2022
Training hours	Operated constantly +1 hour	2hours	2hours
Cumulative number of people trained	440	243	150

* A survey was conducted on full-time employees at the Atomy headquarters (This is a cumulative number including redundancies, so there are deviations from year to year)

Social performance

Workers subject to the occupational health and safety management system (unit: number of people)

	2020	2021	2022
	191	224	226

* Group insurance has been purchased for regular employees in case of industrial accidents, etc.

Violation of legal laws and regulations

Classification	2020	2021	2022
Information and labeling of products and services	0	0	1
Violation of regulations on health and safety impacts of products and services	0	0	0
Marketing communications	0	1	0

* 1 case in 2021: We received a corrective order from the Gongju-si Health Center regarding the scope of information disclosure on our website. After receiving the letter, we took corrective action by changing the member training videos on our homepage (Channel Atomy) to be viewable only after logging in.

* 1 case in 2022: We received a summary order from Daejeon District Court Gongju for errors in the homepage information. Corrective action was taken immediately thereafter.

Number of fatal accidents and accident rate, incidence of occupational diseases

Classification	Unit	2020	2021	2022
Number of Fatal Accidents	cases	0	0	0
Disaster Rate	%	0	0.41	0
Occupational Illness Occurrence Rate	%	0	0	0

Number of people using the in-house consultation program

Year	2020	2021	2022
Counselors	23	50	30

Purchase amount of partnering companies

Category	Unit	2020	2021	2022
Number of	partnering companies	72	75	78
Purchased amount	KRW 100 million	6,663	7,401	6,944

Financial support for partnering companies and support for quality upgrade activities

(unit: KRW 1 million)

Classification	2020	2021	2022
Support quality upgrade activities	83	62	142
Financial support	3,040	3,335	3,225

Suppliers that have undergone environmental and social screening (unit: ea., %)

Category	Details	2020	2021	2022
Social screening-related certification and evaluation	Number of partnering companies	72	75	78
	Number of companies certified	8	9	14
	Ratio of companies certified	11.1%	12.0%	17.9%
Environmental certification and evaluation	Number of partnering companies	72	75	78
	Number of companies certified	30	32	36
	Ratio of companies certified	41.7%	42.7%	46.2%

Donation (unit: consolidated basis, KRW 1 million)

Classification	Unit	2020	2021	2022
Donation	KRW 1 million	8,907	24,762	24,924
Sales	KRW 1 million	1,054,363	1,215,763	1,238,819
Proportion of sales	%	0.84%	2.04%	2.01%

GRI Index

GRI Standard	Description	Atomy reports data from January 1, 2022 to December 31, 2022 based on the newly revised 2021 GRI Standards.
GRI 1 : Foundation 2021	Used GRI 1	GRI 1: Foundation 2021
	Industry Group	Currently unavailable (as of the reporting date in September 2023, standards for the retail industry to which Atomy belongs have not been announced)

GRI Standard	Contents	Page	
GRI 2 : General Disclosures 2021	2-1	Organization details	8-11, 17
	2-2	Branches included in the sustainability report	About this Report, 10-11
	2-3	Reporting period, cycle, contact information	About this Report
	2-4	Re-description of information	About this Report, This is our first sustainability report.
	2-5	External verification	Appendix
	2-6	Activities, value chains and other business relationships	10-14, 46-48
	2-7	Employees	54-57, 84
	2-8	Workers who are not employees	54-57, 84
	2-9	Governance structure and organization	17, 24-25, 39
	2-10	Recommendation and selection of the highest decision-making body	17
	2-11	Chairperson of the highest decision-making body	17
	2-12	Role of the highest decision-making body in overseeing the impact on management	17, 22-23
	2-13	Delegation of responsibility for impact on management	17, 24-25, 39
	2-14	Role of the highest decision-making body in sustainability reporting	24-25
	2-15	Conflict of interest	20, 39
	2-16	Reporting important matters	17
	2-17	Comprehensive knowledge of the highest decision-making body	17
	2-18	Performance evaluation of the highest decision-making body	17, 86
	2-19	Compensation policy	86
	2-20	Compensation decision procedures	86
	2-21	Ratio of the annual total compensation	86
	2-22	Sustainable growth strategy statement	CEO Message
	2-23	Policy commitment	CEO Message, 24-25, 30, 34, 38, 46, 49, 54, 62-63, 70-71, 73
	2-24	Inherent policy commitment	CEO Message, 24-25, 30, 34, 38, 46, 49, 54, 62-63, 70-71, 73
	2-25	Negative impact restoration process	43
	2-26	Mechanism for advising for and raising concerns	39, 43
	2-27	Compliance	39, 40, 83, 87
	2-28	Affiliated association	93

GRI Standard	Contents	Page
	2-29 Stakeholder participation and communication	20-21
GRI 2 : General Disclosures 2021	2-30 Collective agreement	Atomy as a communication channel for employees by coordinating opinions and promoting mutual harmony between employees and management, there have been 0 case of conflict or problematic situations between employees and management since the company was founded in 2009.
	3-1 Materiality issue decision-making process	20-23
GRI 3 : Material Topics 2021	3-2 List of Important Issues	20-23
	3-3 Management of Important Issues	20-23
GRI 201 : Economic Performance 2016	201-1 Direct Economic Value Generation and Distribution (EVG&D)	26-27
	201-4 Financial support received from the government	Not applicable
GRI 202 : Market Presence 2016	202-1 Ratio of standard entry-level wages by gender to the local minimum wage	86
	202-2 Ratio of senior executives hired from the local community	57, 84
GRI 203 : Indirect Economic Impacts 2016	203-1 Infrastructure investment and service support	62-69
	203-2 Significant indirect economic effects	15-16
GRI 205 : Anti-corruption 2016	205-1 Operations assessed for risks associated with corruption	38-40
	205-2 Communication and training on anti-corruption policies and procedures	38-42, 86
	205-3 Confirmed cases of corruption and measures taken against them	40
GRI 206 : Anti-competitive Behavior 2016	206-1 Legal action against anti-competition conduct, antitrust and monopolistic practices	40
GRI 301 : Materials 2016	301-1 Materials used by weight or volume	74-75, 81
	301-2 Recycled input raw materials used	74-75, 81
	301-3 Recycled products and packaging materials	74-75, 81
GRI 302 : Energy 2016	302-1 Energy consumption within the organization	81-82
	302-2 Energy consumption outside the organization	81-82
	302-3 Energy intensity	81
GRI 303 : Water and Effluents 2018	303-2 Managing impacts related to water discharge	82
	303-4 Discharge	82
	303-5 Water consumption	82
GRI 305 : Emissions 2016	305-1 Direct greenhouse gas (GHG) emissions (Scope1)	81
	305-2 Indirect greenhouse gas (GHG) emissions (Scope 2)	81
	305-4 Greenhouse gas (GHG) emissions intensity	81
GRI 306 : Waste 2020	306-1 Waste generation and significant waste-related impact	73-78, 82-83
GRI 308 : Supplier Environmental Assessment 2016	308-1 New suppliers selected according to environmental standards	47-48, 88
	308-2 Negative environmental impacts and actions taken against them	47-48

GRI Standard	Contents	Page
	401-1 New hires and turnover	84
GRI 401 : Employment 2016	401-2 Welfare benefits for regular workers that are not provided to non-regular workers	58-59
	401-3 Childcare leave	85
GRI 402 : Labor/ Management Relations 2016	402-1 Minimum notice period regarding operational changes	17
	403-1 Workplace health and safety management system	34-37, 58
	403-2 Hazard identification, risk assessment, accident investigation	34-37, 58
	403-3 Occupational healthcare services	34-37, 58
	403-4 Workplace health and safety communication, advice and employee participation	34-37, 58
GRI 403 : Occupational Health and Safety 2018	403-5 Workplace health and employee safety training	34-37
	403-6 Promotion of workers' health	34-37, 58
	403-8 Employees covered by the workplace health and safety management system	34-37, 58
	403-9 Work-related injuries	34
	403-10 Work-related diseases	34
GRI 404 : Training and Education 2016	404-1 Average training hours per employee	59, 86
	404-2 Employee empowerment and outplacement programs	59, 86
	404-3 Ratio of employees who receive regular performance and career development reviews	59, 86
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance body and staff	17, 58, 70-71
	405-2 Ratio of basic salary and remuneration of women vs. men	58
GRI 406 : Non-discrimination 2016	406-1 Cases of discrimination and corrective actions taken	70-71
GRI 411 : Rights of Indigenous Peoples 2016	411-1 Cases of violation of indigenous rights	70-71, There have been no cases of infringements reported in this regard.
GRI 413 : Local Communities 2016	413-1 Business sites that operate community participation, impact assessment and development programs	62-66
GRI 414 : Supplier Social Assessment 2016	414-1 New suppliers reviewed according to social standards	47-48, 88
GRI 416 : Customer Health and Safety 2016	416-2 Violations related to health and safety impacts of products/services	30-33, 87
	417-1 Product/service-related information and labeling requirements	30-33, 87
GRI 417 : Marketing and Labeling 2016	417-2 Violations related to product/service information and labeling	30-33, 87
	417-3 Violations related to marketing communications	87
GRI 418 : Customer Privacy 2016	418-1 Substantiated complaints regarding violations of customer personal information protection and loss of customer information	41

Validation opinions

Dear Atomy Co., Ltd. stakeholders,

The Korea Foundation for Quality has conducted validation of the 2023 Atomy ESG Report (the "Report") at the request of Atomy Co., Ltd. The Korea Foundation for Quality is responsible for providing an independent third-party validation and opinion on the report based on the validation criteria and scope set forth below, and the management of Atomy Co., Ltd. is responsible for the preparation of this Report.

Validation criteria and scope

- Validation criteria: AA1000AS (v3), AA1000AP (2018)
- Validation type: Type 1 [Verification of compliance with the four principles of accountability (inclusiveness, materiality, responsiveness, and impact)]
- Validation criteria: Moderate [Validation based on limited collected data]
- Validation scope: Compliance with the four reporting principles according to AA1000AP and compliance with the GRI Standards 2021 reporting requirements
 - GRI Standard Reporting Principles
 - Universal Standards
 - Reporting principles in accordance with the GRI Standards (2021)

Requirements	Compliance	Report Page
Compliance with reporting principles	○	About This Report
GRI2 General Disclosure Report	○	89
Decisions on important topics	○	20-23
Report on GRI3 important topics	○	90
Reporting on GRI Topic Standard by important topic	○	23
If the requirement is not met, the reason (e.g., not applicable, legally prohibited, confidential, information not available, etc.) is stated	○	Reflection of all requirements
GRI Index release	○	89-91
GRI Standards Application	○	About This Report
Notification of GRI	○	Completed

- Topic Standards

Requirements	
Reporting by major topic according to the GRI Topic Standards	
GRI Standards/Topic Disclosure	
GRI 201: Economic Performance 201-1, 201-4	GRI 202: Market Presence 202-1, 202-2
GRI 203: Indirect Economic Impacts 203-1, 203-2	GRI 205: Anti-corruption 205-1-3
GRI 206: Anti-competitive Behavior 206-1	GRI 301: Raw Materials 301-1-3
GRI 302: Energy 302-1-3	GRI 303: Water and Effluents 303-2, 303-4, 303-5
GRI 305: Emissions 305-1, 305-2, 305-4	GRI 306: Waste 306-1
GRI 308: Supplier Environmental Assessment 308-1, 308-2	GRI 401: Employment 401-1-3
GRI 402: Labor Management Relations 402-1	GRI 403: Occupational Health and Safety 403-1-6, 403-8, 403-9
GRI 404: Training and Education 404-1-3	GRI 405: Diversity and Equal Opportunity 405-1, 405-2
GRI 406: Non-discrimination 406-1	GRI 411: Rights of Indigenous People 411-1
GRI 413: Local Communities 413-1	GRI 414: Supplier Social Assessment 414-1
GRI 416: Customer Health and Safety 416-2	GRI 417: Marketing and Labeling 417-1-3
GRI 418: Customer Privacy 418-1	GRI 418: Customer Privacy 418-1

Validation Method

Applying the above criteria, the review team reviewed the relevant procedures, systems and control methods, and available performance data to confirm the validity of the report contents. The documents confirmed during the validation process are as follows.

- Non-financial information: Data provided by Atomy Co., Ltd., materials researched through the company's website, press, and the Internet
- Financial information: Financial statements disclosed in the Financial Supervisory Service of Korea Data Analysis, Retrieval and Transfer (DART) system (<http://dart.fss.or.kr>)

This verification was conducted through written confirmation, including on-site visits, and interviews with managers. The validity of the Report's materiality evaluation process, selection of issues in consideration of stakeholders, data collection/management, and report writing procedures, as well as the validity of the descriptive content, were also evaluated through on-site interviews with managers and a review of relevant documents. It has since been confirmed that some of the errors, inadequate information, and unclear wording identified in the above steps were appropriately corrected before the Report was published.

Eligibility and Independence

The audit team for this verification was properly composed in accordance with the internal regulations of the Korea Foundation for Quality. The Korea Foundation for Quality does not have any interests in the business of Atomy Co., Ltd. that could compromise the independence and impartiality of its validation, other than providing third-party validation services.

Limitations

The completeness and responsiveness of the performance data presented in the Report have inherent limitations based on the nature of the data and how the numbers are determined, calculated, and estimated. The audit team performed a comparative review of the information and evidence provided under the contract and did not perform a reliability check of the source data itself.

Findings and validation conclusions

As a result of performing the above verification activities, the audit team has determined that the contents of this Report were prepared in accordance with the GRI Standards and that a reasonable basis was secured to prove the four principles of AA1000AP (2018) and the Type 1 validation level of AA1000AS (v3). Furthermore, no material errors or noncompliance with the principles in this Report were identified.

• Inclusivity

Atomy Co., Ltd. collects opinions from various stakeholders such as employees, local communities, and partnering companies through appropriate channels such as conferences, seminars, steering committees, and training activities. No evidence of missing key stakeholders other than those mentioned in the Report was found.

• Materiality

Atomy Co., Ltd. considers material issues in its management by conducting a materiality evaluation of related issues and then prioritizing them according to their social (stakeholder) interest and business impact. It was confirmed that the issues identified through the materiality evaluation process were disclosed in the report with no omissions.

• Responsiveness

Atomy Co., Ltd. strives to respond in a timely manner to the needs and key concerns gathered from the stakeholders. The audit team did not find evidence that the organization's response activities and performance regarding material issues were inadequately reported.

• Impact

Atomy Co., Ltd. is identifying and monitoring the impact of material issues related to stakeholders throughout its business activities, and reports them to the extent possible. The audit team found no evidence that impacts relating to material issues were improperly measured/reported.

Recommendations for improvement

In order to internalize Atomy Co., Ltd.'s sustainable management and more effectively disclose ESG information, the following progressive approach is recommended.

- As the first Korean network marketing company to publish an ESG report, we look forward to Atomy Co., Ltd. continuing to play a pioneering role in ESG management.
- Due to the nature of the industry, ESG shared growth through continuous communication with partnering companies and members and performance evaluations of ESG aspects is essential. Therefore, we look forward to seeing progress and achievements on the material issues in the next report.



September 2023
Seoul, South Korea

Ji Young Song, Head of Korea Foundation for Quality

Ji Young Song

Affiliated Associations and Key Certifications

Affiliated Association

Year of registration	Name of association
since 2009	Korea Special Sales Financial Cooperative Association
since 2009	Korea International Trade Association
since 2013	Korea Direct Selling Industry Association
since 2015	The Federation of Korean Industries
since 2015	Korea Distribution Law Association
since 2019	Korea Consumer Law Society
since 2019	World Federation of Direct Selling Association (WFDSA)

Key Certifications

Certification Year	Branch	Certificate Authorities	Certification details	Note
2019	Korea	Ministry of Gender Equality and Family Affairs	Family-friendly company	
2019	Korea	Korea Fair Trade Commission	Consumer-centered management (CCM)	
2021	Korea	Korea Fair Trade Commission	Consumer-centered management (CCM)	
2020	Korea	International Organization for Standardization (ISO)	ISO9001 (Quality management system)	
2020	Korea	International Organization for Standardization (ISO)	ISO10002 (Customer satisfaction management system)	
2020	Korea	Korean Agency for Technology and Standards	New Excellent Product (NEP)	Atomy Absolute CellActive Skincare
2020	Korea	Ministry of Agriculture, Food and Rural Affairs	Green technology products	Atomy HemoHIM
2021	Korea	Ministry of Employment and Labor	2021 Company with work-life balance in action	
2022	Korea	The Ministry of Trade, Industry and Energy	Next-generation world-class products	Absolute CellActive Skincare



Atomy Sustainability Report 2023

ISSUED BY Atomy Co., Ltd.

ISSUED IN September 2023

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