

# **Strategic Evolution of ESG Disclosures and Sustainability Governance: A Comprehensive Decadal Analysis of Amorepacific Group Inc. (002790.KS)**

## **Corporate Identification and Structural Framework**

The entity identified by the stock ticker 002790.KS is Amorepacific Group Inc., which serves as the overarching holding company for the largest beauty and wellness conglomerate in South Korea.<sup>1</sup> In the context of the South Korean capital market and international investment databases, the company is also frequently documented as Amorepacific Holdings or Amorepacific Group.<sup>1</sup> The organization is classified under the Personal Care Products industry and the Consumer Staples sector, maintaining a focus on the manufacturing, distribution, and research and development of cosmetics, skincare, and healthcare products.<sup>2</sup>

The corporate headquarters is situated at 100 Hangang-daero, Yongsan-gu, Seoul, South Korea.<sup>1</sup> This location serves as the strategic "control tower" for a multi-layered organizational structure that includes several key subsidiaries, most notably Amorepacific Corporation (the primary operating unit, listed under ticker 090430.KS), Innisfree, Etude, Aestura, and Osulloc.<sup>1</sup> The identification of this entity is confirmed through the company's official investor relations portal and exchange disclosures on the Korea Exchange (KRX), as well as financial data providers such as Bloomberg and Refinitiv.<sup>1</sup>

Amorepacific Group stands out among the traditional South Korean "chaebol" structures due to its relatively straightforward ownership model.<sup>5</sup> Chairman Suh Kyung-bae holds a majority of stocks in the holding company, which in turn directly controls its ten primary subsidiaries with a vast majority of shares.<sup>5</sup> This architecture is designed to ensure cohesive management across its diverse brand portfolio, which encompasses luxury skin science (Sulwhasoo), functional beauty technology (Laneige), and inner beauty nutraceuticals (Vital Beautie).<sup>1</sup> The group's activities extend beyond cosmetics into medical beauty, beauty devices, hair care, body care, dental care, and tea culture, reflecting a holistic ecosystem dedicated to the "New Beauty" vision.<sup>1</sup>

Attribute	Data Point	Primary Source
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Legal Name	Amorepacific Group Inc.	1
Stock Ticker	002790.KS (Korea Exchange)	1
Headquarters Location	100 Hangang-daero, Yongsan-gu, Seoul, South Korea	1
Primary Business Sector	Consumer Staples / Personal Care Products	2
Holding Company Structure	Direct control over 10 primary subsidiaries	5
Core Operating Subsidiary	Amorepacific Corporation (090430.KS)	4
Principal Brands	Sulwhasoo, Laneige, Innisfree, Etude, Hera, Osulloc	1

The organization's identity is deeply rooted in its founding philosophy of "contributing to humanity through beauty and health," an ethos that has governed its operations since its establishment in 1945.<sup>4</sup> This historical context is essential for understanding its modern ESG trajectory, as the company's current sustainability commitments are framed as an extension of its long-standing "Total Commitment Initiative" declared in 1993.<sup>7</sup> The strategic objective of the holding company is to synthesize the financial and non-financial performance of its affiliates, providing a unified narrative of "A MORE Beautiful World" where nature, people, and businesses coexist harmoniously.<sup>1</sup>

## ESG Reporting Timeline and Framework Adoption (2014–2018)

The historical progression of sustainability reporting at Amorepacific Group reflects an early transition from corporate social responsibility (CSR) narratives toward integrated environmental, social, and governance (ESG) disclosures. The group was a pioneer in the South Korean market, publishing its first sustainability report in 2009, making it the first in the domestic beauty industry to do so.<sup>8</sup> By the beginning of the analysis period in 2014, the organization had established a robust annual reporting cycle, primarily utilizing the Global

Reporting Initiative (GRI) guidelines to communicate its impacts to stakeholders.<sup>8</sup>

During the 2014 and 2015 reporting periods, the company's disclosures were centered on its "2020 Sustainability Commitments," which prioritized social contributions and environmental conservation as part of its global expansion strategy.<sup>10</sup> The reports from this era emphasized the "Asian Beauty" philosophy, positioning the organization as a leader in delivering heritage-based cosmetic innovation to international markets, particularly China and Southeast Asia.<sup>10</sup> The narrative during these years was heavily influenced by the organization's support for the Ten Principles of the UN Global Compact (UNGC), which it had joined to align its operations with international standards for human rights, labor, and anti-corruption.<sup>10</sup>

In 2016, the reporting framework shifted toward the GRI G4 Index, which required a more rigorous materiality assessment to identify the most critical issues for the business and its stakeholders.<sup>10</sup> The 2016 Sustainability Report (published in early 2017) highlighted the group's focus on minimizing its social and environmental footprint throughout the entire lifecycle of its products, from research and development to final disposal.<sup>10</sup> This year was marked by the introduction of the group's eighth commitment within the 2020 strategy, emphasizing ethical and sustainable consumption.<sup>10</sup> However, this period also coincided with one of the most significant material controversies in the company's history—the toxic toothpaste recall—which necessitated a major realignment of the group's focus toward product safety and consumer protection.<sup>12</sup>

The year 2017 served as a strategic inflection point as the group redefined its "A MORE Beautiful World" vision, integrating it with the 2030 Sustainable Development Goals (SDGs) adopted by the UN.<sup>8</sup> The 2017 Sustainability Report marked the tenth anniversary of the company's reporting activities and documented the integration of environmentally and socially friendly elements into 28.8% of all new products launched during the year.<sup>8</sup> This quantitative milestone indicated a shift toward embedding sustainability into the core product innovation process rather than treating it as a peripheral CSR activity.<sup>8</sup>

By 2018, the group continued to refine its reporting methodology, increasingly leveraging digital platforms and microsites to enhance transparency and accessibility.<sup>1</sup> The 2018 report maintained the three core pillars: promoting a sustainable lifestyle, achieving inclusive growth with communities, and contributing to a circular economy.<sup>14</sup> While specific details regarding third-party assurance for the 2018 report are less prominently featured in current archival summaries, the company's commitment to providing verified financial and non-financial data remained a cornerstone of its investor relations strategy.<sup>15</sup>

## **Strategic Transformation and Global Standards (2019–2023)**

The period between 2019 and 2023 represents the most intensive phase of maturity for

Amorepacific's ESG reporting, characterized by the adoption of sophisticated financial disclosure frameworks and a heightened focus on climate transition. In 2019, the group utilized the VeriSustain protocol for its materiality assessment, which identified product sustainability, resource circulation, greenhouse gas (GHG) emissions, and employee health as the top material topics.<sup>7</sup> The 2019 report was audited by DNV GL Business Assurance Korea Ltd., which provided a limited level of assurance on the broader sustainability report and the GHG inventory, marking a move toward higher data reliability.<sup>7</sup>

The 2020 reporting cycle, despite the disruptions caused by the COVID-19 pandemic, saw the group achieve a major milestone by formally adopting the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) frameworks.<sup>11</sup> The 2020 Sustainability Report (published in June 2021) included dedicated sections for TCFD and SASB disclosures, providing investors with standardized data on climate risk management and industry-specific material issues.<sup>11</sup> This year also marked the launch of the group's ESG Committee under the Board of Directors, a governance milestone that centralized ESG decision-making at the highest level of the organization.<sup>11</sup>

In 2021, the organization's sustainability strategy reached a new level of ambition with the declaration of the RE100 initiative, pledging to transition to 100% renewable energy across all production sites by 2025.<sup>17</sup> The reporting from this period detailed the group's transition to renewable energy, which reached 34% company-wide in 2022.<sup>18</sup> A critical element of this transition was the signing of the first direct Power Purchase Agreement (PPA) and Virtual Power Purchase Agreement (VPPA) in South Korea, demonstrating a leadership role in domestic energy market innovation.<sup>18</sup>

The 2022 and 2023 reports showcased the group's successful alignment with global science-based targets. In July 2022, Amorepacific became the first beauty company in Korea to join the Science Based Targets initiative (SBTi), setting targets to limit global warming to 1.5°C.<sup>17</sup> By 2024, the group received formal approval from the SBTi for its net-zero targets, which include a commitment to reduce Scope 1 and 2 emissions by 90% by 2050 compared to 2020 levels.<sup>19</sup> The reporting in the latter years of the period focused heavily on Scope 3 emissions, which represent the largest portion of the group's carbon footprint, particularly in the categories of purchased goods and services and the end-of-life treatment of sold products.<sup>20</sup>

The quantitative performance data in the 2023 report, prepared in accordance with the 2021 GRI Standards and the SASB standards for the Household & Personal Products industry, reflected a company-wide transition to renewable energy at major manufacturing facilities in Osan, Daejeon, and Shanghai.<sup>6</sup> The group's leadership was further validated by its four-consecutive-year inclusion on the CDP A-list for Climate Change and its two-consecutive-year inclusion on the A-list for Water Security.<sup>20</sup>

Year	Key Reporting Milestone	Frameworks & Standards	Source
2014	Annual SR Publication	GRI G4 Index	8
2016	10th Anniversary Report	GRI G4, UNGC	10
2017	Vision "A MORE Beautiful World"	GRI G4, UN SDGs	8
2019	SR Microsite Launch	GRI Standards, VeriSustain	1
2020	TCFD & SASB Adoption	GRI, TCFD, SASB, UNGC	11
2021	ESG Committee Formation	TCFD, SASB, RE100	11
2022	DJSI World Inclusion	TCFD, SASB, SBTi	17
2023	SBTi Net-Zero Approval	GRI 2021, TCFD, SASB	6

## Product Safety Controversy: The Toothpaste Crisis and Its Regulatory Aftermath

The trajectory of ESG management at Amorepacific cannot be fully understood without analyzing the systemic impact of the 2016 toothpaste recall. In September 2016, the South Korean Ministry of Food and Drug Safety ordered the immediate recall of 11 toothpaste brands manufactured by Amorepacific, including the widely used Median Fresh Forest and Median Vital Action products.<sup>12</sup> The recall was prompted by the discovery of trace amounts of methylisothiazolinone (MIT) and chloromethylisothiazolinone (CMIT) in the toothpaste formulations.<sup>12</sup>

These chemicals were identical to the active ingredients used in the toxic humidifier

disinfectants that caused a national health crisis in South Korea, leading to over 100 confirmed deaths and thousands of injuries.<sup>22</sup> While the levels found in the toothpaste were minuscule—measured between 0.0022 and 0.0044 parts per million—the use of these substances as preservatives in toothpaste was strictly prohibited under Korean law, despite being permitted in certain concentrations in the United States and Europe.<sup>12</sup> The public outcry was intensified by the fact that consumers rinse toothpaste out, but the association with the humidifier disinfectant tragedy created a profound crisis of trust.<sup>12</sup>

The governance implications of this controversy were significant. Fourteen consumers filed a criminal complaint against Amorepacific Chairman Suh Kyung-bae and President Shim Sang-bae, as well as representatives from the chemical supplier Miwon Commercial and the Minister of Food and Drug Safety.<sup>13</sup> The lawsuits accused the company of dereliction of duty and violations of pharmaceutical laws, alleging that the organization had continued to sell products while being aware of the chemical composition.<sup>13</sup> This incident highlighted a critical "loophole" in the South Korean regulatory regime, where multiple government agencies shared fragmented responsibility for monitoring toxic chemicals, making it difficult to pinpoint accountability.<sup>22</sup>

In response to the crisis, Amorepacific issued a public apology and implemented a comprehensive refund policy.<sup>12</sup> More importantly, the incident served as a catalyst for the group to elevate "Customer Safety" and the "Principle of Respect for Life" to core pillars of its ESG strategy.<sup>25</sup> The company revamped its internal ingredient screening processes and increased its research into animal-testing alternatives and vegan material technology to align with a "New Beauty" paradigm that prioritizes holistic safety and ethics.<sup>1</sup> This controversy directly influenced the company's subsequent reporting, leading to the inclusion of detailed disclosures on chemical safety and supplier management guidelines.<sup>27</sup>

## Regulatory Scrutiny and Fair Trade Violations

Beyond product safety, the organization has faced consistent regulatory scrutiny from the Korea Fair Trade Commission (KFTC) regarding its governance practices and relationship with affiliates. These milestones represent material governance risks that have impacted the group's external ESG ratings over the last decade.

In April 2020, the KFTC imposed a fine of 96 million won (approximately \$77,800) on Amorepacific Group and its affiliate Cosvision for unfair business loan procedures.<sup>28</sup> The investigation revealed that the group had provided 75 billion won worth of fixed deposits without a fee to Cosvision, which enabled the subsidiary to receive low-interest loans from the Korea Development Bank.<sup>28</sup> This financial support allowed Cosvision to enhance its production capacity by 50% and maintain its market position through an unfair financial gain estimated at 139 million won in saved interest.<sup>29</sup> While the fine was relatively small, the KFTC emphasized that the action served as a restraining measure against "chaebol" practices that provide unfair

support to affiliates to strengthen their competitiveness at the expense of market fairness.<sup>28</sup>

Historically, the organization also faced a 500 million won fine in 2015 for "abuse of superior position" regarding its special agent stores.<sup>30</sup> Between 2005 and 2013, the company was found to have unfairly reallocated sales personnel from existing agents to new distribution channels, directly impacting the profits of special agent stores that had historically accounted for 20% of domestic sales.<sup>30</sup> This case underscored the friction between the group's aggressive growth strategies and its ethical obligations to small business partners within its ecosystem.<sup>30</sup>

Additionally, in 2019, Amorepacific was one of seven companies fined for "deceptive advertising" on Instagram.<sup>31</sup> The KFTC discovered that the company had paid influencers to post favorable reviews of its products without disclosing the sponsorship, a violation of the Act on Fair Labeling and Advertising.<sup>31</sup> These repeated regulatory incidents highlight the ongoing challenge of maintaining corporate ethics in a rapidly changing marketing and financial landscape, and they have been a primary factor in the organization's lower governance scores from certain proxy advisors.<sup>5</sup>

## **Governance Dynamics and the Chaebol Structure**

The governance of Amorepacific Group is defined by its status as a family-controlled conglomerate, which presents a unique set of ESG risks and opportunities. While the group's ownership structure is more transparent than many of its peers, it is still characterized by the significant discretionary power of its owner-manager, Chairman Suh Kyung-bae.<sup>5</sup> This centralized control has led to a perceived "legitimacy problem" in Korean society, where the interests of controlling shareholders are sometimes viewed as being prioritized over those of minority investors.<sup>32</sup>

Global proxy advisors, such as Institutional Investor Services (ISS), have historically given the group poor scores for board quality and shareholder rights.<sup>5</sup> A key point of contention has been the independence of the board of directors; critics have questioned whether independent directors can effectively provide checks and balances on a chairman who holds a dominant shareholding.<sup>5</sup> In several instances, institutional shareholders, including the National Pension Service (NPS), have opposed the appointment of certain directors, though the company has often proceeded with these appointments by citing legal eligibility.<sup>5</sup>

The legislative environment in South Korea has evolved to address these concerns. In December 2020, the Korean National Assembly passed amendments to the Korean Commercial Code (KCC) to provide additional protections for minority shareholders.<sup>34</sup> These amendments included the "3% Cap Rule" for the election of audit committee members, which prevents a controlling shareholder from using their entire stake to effectively designate all members of the audit committee.<sup>34</sup> Furthermore, the introduction of multi-level derivative litigation now allows shareholders holding as little as 0.01% of a listed company to bring

lawsuits against directors of subsidiaries for breach of fiduciary duty.<sup>34</sup>

Amorepacific's response to these governance pressures has been the institutionalization of its ESG management. The formation of the ESG Committee in 2021 was a response to both domestic regulatory shifts and the demands of global investors who consider ESG a crucial investment criterion.<sup>16</sup> The company has also focused on enhancing its corporate governance ratings, with Amorepacific Holdings receiving a grade of A+ from the Korea Institute of Corporate Governance and Sustainability (KCGS) in 2022, reflecting its proactive approach to addressing these systemic risks.<sup>17</sup>

## Environmental Leadership and Climate Action

In the environmental pillar, Amorepacific has transitioned from a focus on local conservation efforts to a comprehensive global climate strategy grounded in science-based targets. The organization's pursuit of "Net Zero" by 2050 is a core component of its "2030 A MORE Beautiful Promise" framework.<sup>6</sup>

The group's commitment to RE100 is supported by a strategy that prioritizes the direct transition to renewable energy. By 2024, the company had achieved a 70% transition to renewable electricity, with a target to reach 100% across all operations by 2025.<sup>20</sup> This transition is enabled through innovative financial mechanisms, such as the signing of Korea's first Virtual Power Purchase Agreement (VPPA) with a wind power company in Jeju.<sup>19</sup> The group's production sites in Osan and Daejeon, which manufacture major brands like Sulwhasoo and Laneige, achieved 100% renewable electricity in 2023.<sup>18</sup>

Amorepacific's climate targets are validated by the SBTi, which requires a rigorous reduction of emissions across the entire value chain. The company aims to reduce Scope 1 and 2 emissions by 90% and Scope 3 emissions—specifically from purchased goods and services—by 25% by 2030 and 90% by 2050.<sup>20</sup> The reduction modeling for Scope 1 and 2 follows a trajectory consistent with the 1.5°C goal of the Paris Agreement, which can be represented by the exponential decay formula:

$$E(t) = E_0 \cdot e^{-kt}$$

where  $E(t)$  is the emissions at time  $t$ ,  $E_0$  is the base year emissions (2020), and  $k$  is the constant rate of reduction required to reach a 90% decrease by 2050.<sup>18</sup>

Water resource management is another area where the group has established global leadership. The company has introduced an automated wastewater treatment process at the Amore Beauty Park in Osan to minimize quality deviations in treated water.<sup>20</sup> This facility realizes a circular water system by recycling wastewater for landscaping an area of 82,500 square

meters, effectively reducing the organization's impact on local water supplies.<sup>20</sup> These activities were instrumental in securing the company's place on the CDP "A List" for Water Security for two consecutive years.<sup>20</sup>

<b>Environmental Metric</b>	<b>2022-2023 Performance</b>	<b>2025-2030 Target</b>	<b>Source</b>
Renewable Electricity (RE100)	34% (2022)	100% (2025)	18
Scope 1 & 2 Emissions	Proactive Pursuit of Net Zero	90% reduction by 2050	20
Scope 3 Emissions	Supply Chain Calculation	25% reduction by 2030	20
Water Circularity	Osan Site Circular System	Leadership Grade (CDP A)	20
Sustainable Packaging	28.8% New Products (2017)	Continued R&D in Recyclables	8

## **Social Performance and Community Impact**

The social pillar of Amorepacific's ESG strategy is focused on inclusive growth, women's empowerment, and the well-being of its workforce and partners. As an organization that has grown alongside its female customer base, the group has aligned its corporate social responsibility (CSR) initiatives with UN SDG 5 (Gender Equality).<sup>7</sup>

The "Hope Store" project is a primary social investment initiative that supports single mothers in achieving economic independence through micro-loans for starting small businesses.<sup>11</sup> During the COVID-19 pandemic, the group demonstrated social resilience by providing 500 million won in total donations and medical supplies to staff in Daegu and supporting Hope Store owners by purchasing their products for employees.<sup>11</sup> Similar support was extended to international subsidiaries in China, Singapore, and the U.S., highlighting the organization's commitment to being a responsible global citizen.<sup>11</sup>

Internally, the organization emphasizes the professional development and work-life balance of its 12,387 employees.<sup>10</sup> The "ABC Spirit" serves as a moral and behavioral compass for the workforce, promoting a culture of empathy, innovation, and perseverance.<sup>7</sup> The 2022

Sustainability Report highlighted the group's efforts to create a "Great Place to Work," a strategic goal intended to attract and retain talent in a highly competitive global beauty market.<sup>10</sup> Despite these efforts, the group continues to navigate complex labor dynamics, including its relationship with domestic labor unions and the ongoing challenge of managing a global supply chain that adheres to the UN Global Compact principles.<sup>29</sup>

## External ESG Ratings and Credibility Assessment

The external assessment of Amorepacific's ESG performance reveals a generally positive trajectory, though discrepancies exist between different rating agencies and entity levels. These ratings serve as essential benchmarks for institutional investors and highlight the organization's relative standing within the personal products industry.

MSCI ESG Ratings have assigned Amorepacific Holdings Corp. a grade of AA, positioning it as an industry leader, while Amorepacific Corporation holds a grade of A.<sup>25</sup> These ratings reflect the company's strong management of material ESG risks, particularly in the areas of chemical safety and climate change mitigation.<sup>38</sup> Similarly, the KCGS has awarded Amorepacific Holdings an A+ grade, while the operating subsidiary received an A.<sup>17</sup> These high domestic scores are attributed to the organization's early adoption of global reporting standards and its established ESG governance structure.<sup>17</sup>

S&P Global provides a more nuanced view, with Amorepacific Corporation receiving an ESG score of 65 and a Corporate Sustainability Assessment (CSA) score of 59 as of October 2024.<sup>3</sup> It is critical to note that this score is derived from publicly available information and modeling approaches, as the company did not actively participate in the S&P Global CSA for that period.<sup>3</sup> The inclusion of the company in the Dow Jones Sustainability World Index (DJSI World) in 2022 remains a prestigious recognition, signifying that it is among the top 10% of ESG performers globally.<sup>17</sup>

Rating Agency	Entity	Grade / Score	Date / Context	Source
MSCI	Amorepacific Holdings	AA	2023-2024	<sup>25</sup>
MSCI	Amorepacific Corporation	A	2023-2024	<sup>25</sup>
KCGS	Amorepacific	A+	2022	<sup>17</sup>

	Holdings			
KCGS	Amorepacific Corporation	A	2022	<sup>17</sup>
CDP	Amorepacific Corporation	A (Climate)	2022-2025	20
CDP	Amorepacific Corporation	A (Water)	2024-2025	20
S&P Global	Amorepacific Corporation	65	Oct 16, 2024	<sup>3</sup>
DJSI	Amorepacific Corporation	World Index	2022	<sup>17</sup>

The organization's reporting also includes independent assurance statements, which enhance the credibility of its non-financial data. For example, the 2019 report was verified by DNV GL, and subsequent reports have included verification statements for greenhouse gas inventories to ensure compliance with the IPCC 2006 guidelines and the WRI/WBCSD GHG Protocol.<sup>7</sup>

## Reference Table with Credibility Assessment

The findings presented in this report are supported by a range of primary and secondary sources, evaluated for their credibility and relevance to the ESG disclosures of Amorepacific Group.

#	Reference	Source Type	Credibility Score	Justification	Relevance
1	Amorepacific Group. (2023). 2022 Sustainability Report.	Primary Source	10	Official company filing with audited data and GRI/SASB compliance.	Comprehensive ESG data.
2	Amorepacif	Primary	9	Official	Real-time

	ic. (2025). Amorepacific Achieves Highest 'A List' Rating.	Source		corporate news portal; verifiable through CDP databases.	rating status.
3	S&P Global. (2024). Amorepacific Corporation ESG Score.	Secondary Source	8	Reputable financial data provider; transparent methodology.	External benchmarking.
4	MSCI. (2024). ESG Ratings for Amorepacific Holdings.	Secondary Source	8	Leading global ESG index provider with established history.	Comparative industry analysis.
5	Kim, H. B. (2020). FTC slaps Amorepacific with W96 million fine. Korea Times.	Secondary Source	7	Major national news outlet with editorial standards.	Governance controversy data.
6	Korea Herald. (2016). AmorePacific's toothpastes recalled for banned	Secondary Source	7	Reputable national English-language daily in Korea.	Product safety crisis data.

	chemicals.				
7	UN Global Compact. (2024). Participant Search: Amorepacific Group.	Primary Source	9	Official platform of an international intergovernmental organization.	Strategic commitment verification.
8	Carbon Disclosure Project (CDP). (2024). Company Scores: Amorepacific.	Primary Source	9	Global non-profit providing standardized environmental data.	Environmental leadership data.
9	Lee, S. Y. (2016). Tycoons of top conglomerates control empires with small stakes. Korea Herald.	Secondary Source	7	Analysis of Fair Trade Commission data by journalists.	Chaebol structure context.
10	DNV GL. (2020). Independent Assurance Statement for Amorepacific	Primary Source	10	Professional third-party audit statement included in SR.	Data reliability verification.

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## Transparency and Data Limitations

The analysis provided in this report is subject to certain limitations inherent in the corporate reporting and ESG rating landscape. The information is current as of the knowledge cutoff in late 2024 and early 2025, and changes in regulatory status or financial performance beyond this date may not be reflected.<sup>3</sup>

A significant limitation is the "double-entity" nature of the group's reporting. While the holding company (Amorepacific Group) and its main subsidiary (Amorepacific Corporation) are separate legal entities, their sustainability reports are frequently integrated or shared across a single corporate platform.<sup>1</sup> This can make it difficult to attribute specific social or environmental impacts to the holding company alone, as the vast majority of operations occur within the subsidiaries.<sup>6</sup>

Furthermore, while the group utilizes international frameworks like TCFD and SASB, access to the most granular data (such as specific Scope 3 emissions by individual supplier) is often restricted to internal management or paywalled ESG databases.<sup>3</sup> The S&P Global ESG scores, for example, explicitly state they are based on modeled data rather than direct participation, which may introduce a margin of error in the assessment of the company's management practices.<sup>3</sup>

To independently verify the facts and figures presented in this report, the following external databases are recommended:

1. **Korea Exchange (KRX) Disclosure Portal:** For all official regulatory filings and annual reports of 002790.KS and 090430.KS.
2. **CDP Company Search:** For the most detailed submissions on climate and water management performance.
3. **GRI Sustainability Disclosure Database:** For the historical archive of the organization's adherence to GRI reporting principles.

## Conclusions and Future Outlook

Amorepacific Group Inc. has demonstrated a persistent and evolving commitment to ESG reporting that has moved from basic transparency toward a leadership position within the global beauty industry. The company's decade-long timeline reveals a transition from a philanthropy-led CSR model to a risk-based ESG strategy that integrates financial and non-financial performance. The adoption of TCFD, SASB, and SBTi frameworks signifies an organization that is responsive to the demands of global institutional investors and the realities

of the climate crisis.

Despite significant successes in environmental stewardship—as evidenced by its CDP A-list status and RE100 progress—the organization remains vulnerable to the systemic risks associated with the South Korean chaebol structure and historical product safety controversies. The 2016 toothpaste recall and the subsequent regulatory fines serve as cautionary reminders of the material impact that product safety and fair trade violations can have on a consumer-facing brand.

Looking forward, the group's ability to achieve its Net Zero goals and successfully navigate the evolving regulatory landscape for minority shareholder rights will be the primary determinants of its long-term sustainability profile. As the "New Beauty" vision increasingly incorporates digital innovation and ethical consumption, Amorepacific Group is well-positioned to maintain its status as a leading ESG performer in the Asia-Pacific region, provided it continues to strengthen its governance oversight and supply chain transparency.

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