

EVERYDAY EVERYWHERE





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Report Overview

With its first Sustainability Report, EcoPro Materials discloses and communicates with its stakeholders about the company's achievements and goals in creating economic, environmental, and social value. This annual report is a public declaration of EcoPro Materials' commitment to sustainability and disclosure of its business standing. Through this Report, we seek to align EcoPro Materials' growth strategy with its ESG management approach, while providing comprehensive insights into our plans and initiatives to contribute to achieving the United Nations Sustainable Development Goals (UN SDGs). This annual publication represents our ongoing dedication to fostering shared growth with the community and ensuring the sustainability of our business operations.

Reporting Period

This Report outlines the company's performance and achievements from January 1 to December 31, 2023, using both financial and non-financial indicators from qualitative and quantitative perspectives. To enhance stakeholder understanding of key issues, we have included data available up to the publication of this Report. For quantitative accomplishments, we provide a three-year overview of performance data relating to environmental, social, and governance aspects, offering a comprehensive view of our past achievements.

Scope of the Report

For economic quantitative performance presented in this Report, the data encompass both domestic and international operations of EcoPro Materials. For social and environmental quantitative data, the focus is placed primarily on domestic operations, taking into account their scale, nature, and influence, with data from other EcoPro Group companies included where applicable.

Reporting Guidelines

This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, an internationally recognized guideline for sustainable management. The financial information is based on consolidated financial statements, following the reporting standards and definitions of the Korean International Financial Reporting Standards (K-IFRS). Any financial or non-financial information aggregated under standards uniquely established by EcoPro Materials is annotated accordingly.

Independent Assurance

To ensure the reliability of the data and prevent the possibility of ESG washing, this Report has undergone an assurance engagement by Samil PwC, a third-party independent assurance service provider, in accordance with the International Standard on Assurance Engagements (ISAE) 3000. The third-party assurance statement is documented on page 81.

Contact

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“We strive to improve the quality of people’s lives and deliver convenience by introducing new energy and environmental improvement technologies.”

EcoPro Materials became the first company in Korea to mass-produce high-capacity, high-nickel cathode material precursors successfully, and it now boasts the largest precursor production capacity in the country. Building on this success, since 2021, EcoPro Materials has expanded its business beyond just precursor production to include the refining and production of nickel and cobalt, which are essential for precursor manufacturing. This strategic expansion has reinforced its position as a leading specialist in secondary battery materials.

EcoPro Materials has achieved remarkable sales growth, with an average annual increase of 75.7% from 2018 to 2023, reaching sales of KRW 950 billion in 2023. By 2027, the company aims to become the largest producer of precursors outside of China and the world’s fifth-largest producer of high-nickel precursors. As global supply chains for secondary battery materials are highly reliant on China, recent efforts to diversify and reduce dependency on Chinese suppliers have made domestic supply chains increasingly important. In this context, EcoPro Materials is playing a crucial role in enhancing the competitiveness of Korea’s secondary battery ecosystem. By securing raw materials independence, the company is contributing significantly to strengthening the domestic battery industry’s overall competitiveness.



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To achieve this, ESG management is not an option, but a necessity. We will deliver value to our global customers, lead the market, and exceed the expectations of all our stakeholders.

First, we will strive to fight climate change.

We will spare no effort to invest in eco-friendly processes in our business value chain to address the climate change issue. We will also expand the use of recycled materials to reduce carbon emissions by practicing resource recycling activities.

Second, we will build a responsible supply chain.

We will respond to global environmental and social regulations regarding our supply chain and strengthen our responsible supply chain through rigorous ESG management. We will respond to ecosystem changes by implementing management activities throughout our entire supply chain, including mines.

Third, we will establish a culture of respect for human rights and strengthen human rights protection.

We will foster an environment of horizontal communication among employees and cultivate a corporate culture that promotes a healthy and safe workplace. We will also remain committed to safeguarding the rights of the socially vulnerable and will continuously enhance our human rights management system in line with the human rights principles.

Fourth, we will expand activities for the shared development with local communities.

We will increase communication with stakeholders, including employees, suppliers, and local communities, to promote the exchange of sustainable values. Furthermore, we will continue to prioritize the needs of local communities, fulfilling our roles and responsibilities to support their development.

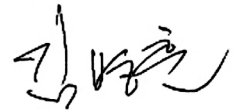
Fifth, we will build a risk management system.

As the global regulatory landscape becomes more complex, we will stay vigilant in monitoring global trends and aligning our internal control systems accordingly. This proactive approach will allow us to respond swiftly to unforeseen circumstances, ensuring the stability and sustainability of our company.

Recognizing that building a sustainable business model through ESG-oriented investments in eco-friendly technologies is essential for a sustainable society, we will not rest on our laurels. Instead, we will continue to collaborate and innovate to establish ourselves as a global leader in the electric vehicle era over the next 10 to 20 years.

Thank you.

October 2024
Kim Byung-hoon, CEO





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Environment



10 categories for Scope 3
emissions disclosure



Carbon-neutrality goal based on the SBTi
**40% reduction by 2030,
carbon neutrality by 2050**



97%
Waste recycling

Society



Declaration of the **Human Rights
Management Charter**



Enactment and Distribution
of the **Supplier Code of Conduct**



**Family-Friendly
Management** Certification

Governance



Declaration of the **Corporate
Governance Charter**



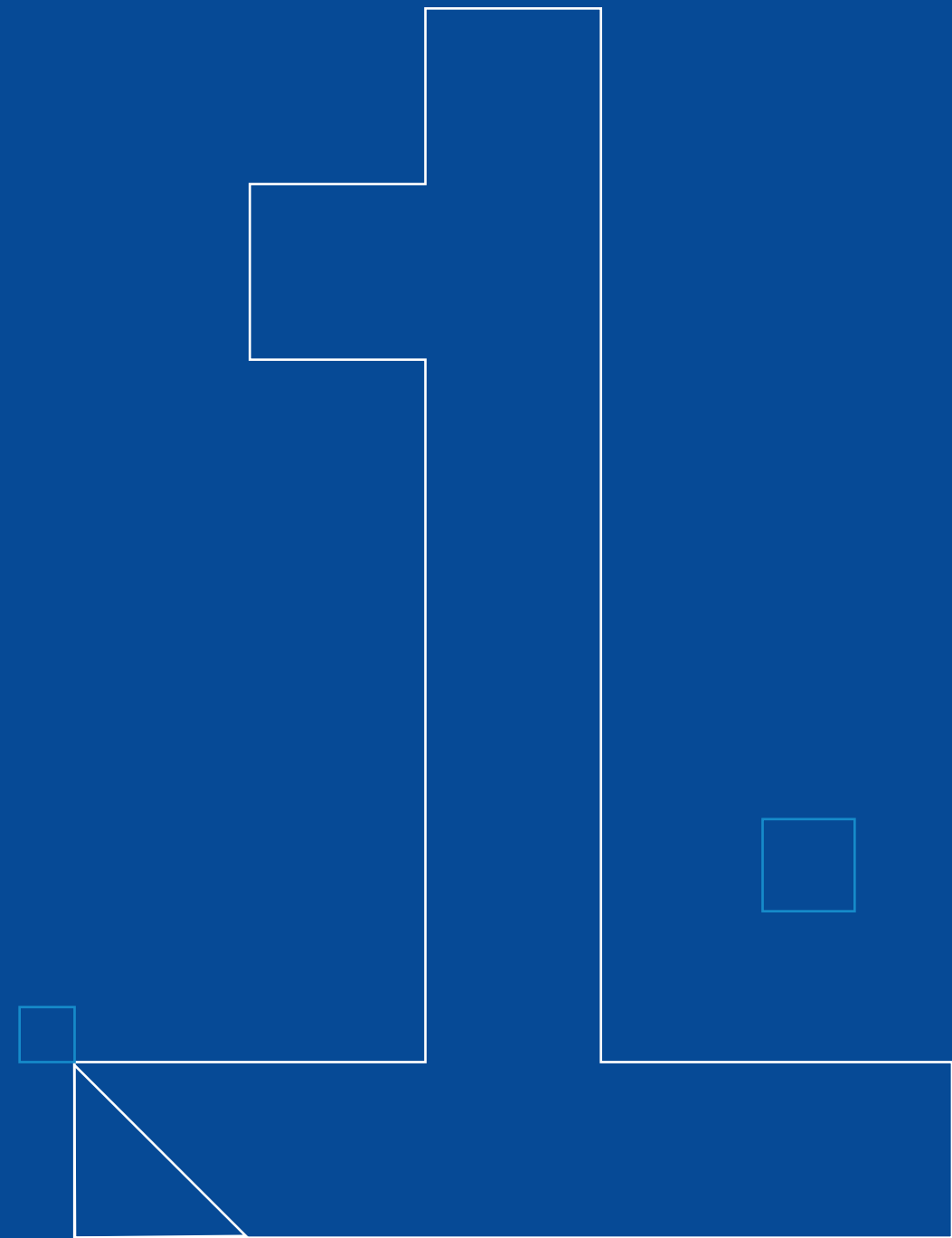
**Reinforcement of the Compensation
Committee** for board-centered management



All employees signed the compliance
commitment letter for ethics and compliance
management

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About EcoPro Materials

EcoPro Materials, founded in April 2017, specializes in producing precursors for lithium-ion battery cathode materials. As the first company in Korea to mass-produce high-capacity high-nickel cathode material precursors, we now hold the largest precursor production capacity in the country. Since 2021, we have expanded beyond precursor production to include the refining and production of essential materials such as nickel and cobalt. This strategic shift has reinforced our position as a leading specialist in secondary battery materials. In response to global supply chain changes, EcoPro Materials plays a critical role in boosting the competitiveness of the domestic secondary battery ecosystem by building our own supply chain. With an annual production capacity of 50,000 tons at our Pohang campus, we are set to increase this to 210,000 tons by 2027.

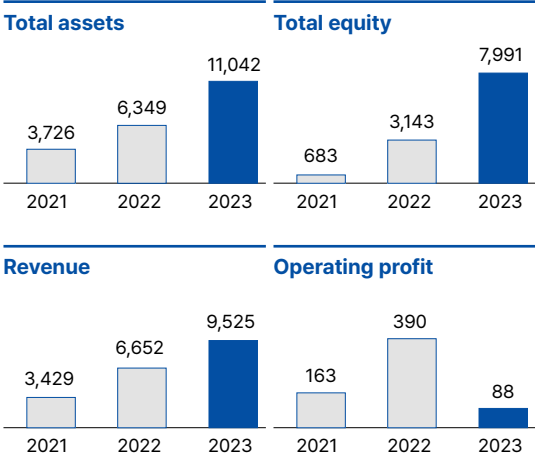
Company Profile

(As of the end of December 2023)

Company name	EcoPro Materials Co., Ltd.
Establishment	April 26, 2017
CEO	Kim Byung-hoon
Number of employees	569
Revenue	KRW 952.5 billion
Total equity	KRW 799.1 billion
Head office	15 Yeongilmansandannamro 75 beon-gil, Heunghae-eup, Buk-gu, Pohang-si, Gyeong- sangbuk-do, Korea

Key Financial Performance

(Unit: KRW hundred million)



Business Areas

Precursors serve as intermediate products in the synthesis of cathode materials and are crucial for determining their performance, price, and quality. To ensure we supply the highest-performance products at competitive prices, we have established mass production and automation lines.

NC (A) Precursors

- Precursors for NCA cathode materials manufactured from nickel and cobalt
- Used in non-IT devices such as power tools, ESS, and EVs (cylindrical)
- Expected to be used for various EV batteries

- Developed Korea's first NC (A) precursor (2006)
- First in Korea to mass-produce NC (A) precursors (2006)

CSG (NCM811 Precursor)

- Precursor composed of nickel, cobalt, and manganese
- Concentration gradient technique with a higher proportion of nickel on the inside and higher proportions of cobalt and manganese on the outside
- Used in batteries for flagship EVs

- Developed the world's first NCM811 precursor (2014)
- First in the world to mass-produce the NCM811 precursor (2018)

CDS (NCM9½½ Precursor)

- Precursor composed of nickel, cobalt, and manganese
- Lower cobalt and manganese content on the outside to reduce cost, while higher nickel on the inside to maximize performance
- Used in batteries for high-end EVs

- Developed the world's first NCM9½½ precursor (2016)
- First in the world to mass-produce the NCM9½½ precursor (2020)

EcoPro Materials at a Glance

Dominant Market Position	Best Technology	Dominant Market Position
1st Non-China precursor market share	19 years R&D experience	84.9% CAGR over last 5 years
5th High-nickel precursor market share	1st Developed and mass-produced the world's first NCM811 precursor	9.0% EBITDA
50,000 tons Precursor production capacity	1st Developed and mass-produced the world's first NCM9½½ precursor	83.1% D/E ratio



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Mission and Management Philosophy

Mission

We strive to improve the quality of people’s lives
and deliver convenience by introducing
new energy and environmental improvement technologies.

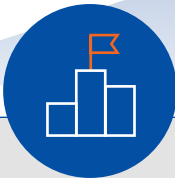
Vision/slogan

Everyday Everywhere

Management philosophy

We strive to be the best in our field, driving changes and innovation forward consistently.

Behavioral standard



Challenge-taking

We challenge ourselves
to do new things.

- We strive to avoid comfort and set ambitious goals.
- We develop ourselves actively to become the best in our field.



Trust

We build trust with many
stakeholders.

- We hold our employees, customers, shareholders, and the local community in high regard, showing them respect and consideration.
- We trust each other and cooperate as colleagues with a shared sense of destiny.



Change and innovation

We pursue ceaseless change
and innovation.

- We strive to develop new markets.
- We continue developing new technologies, products, and ideas.



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History

EcoPro Materials has been a pioneer in the precursor industry for the past 19 years.



2004–2013 Pioneering the Market

October 2004

Commenced precursor technology R&D

January 2005

Commenced precursor business

February 2006

Developed Korea's first high-nickel NC (A) precursor



2014–2020 Technology Leadership

October 2014

Developed the world's first NCM811 precursor

April 2016

Developed the world's first NCM9½½ precursor

April 2017 EcoPro Materials

EcoPro Materials was established (Pohang, Gyeongsangbuk-do)

March 2018

Precursor Plant 1 (CPM #1) began commercial operations



2021 and Onward Production Capacity Expansion & Customer and Business Diversification

August 2021

Sulfurization Plant 1 (RMP #1) began commercial operations

December 2021

Won the 200 Million Dollar Export Tower

August 2022

Precursor Plant 2 (CPM #2) began commercial operations

July 2023

Sulfurization Plant 2 (RMP #2) began commercial operations

November 2023

Listed on the KOSPI (Korea Stock Exchange)



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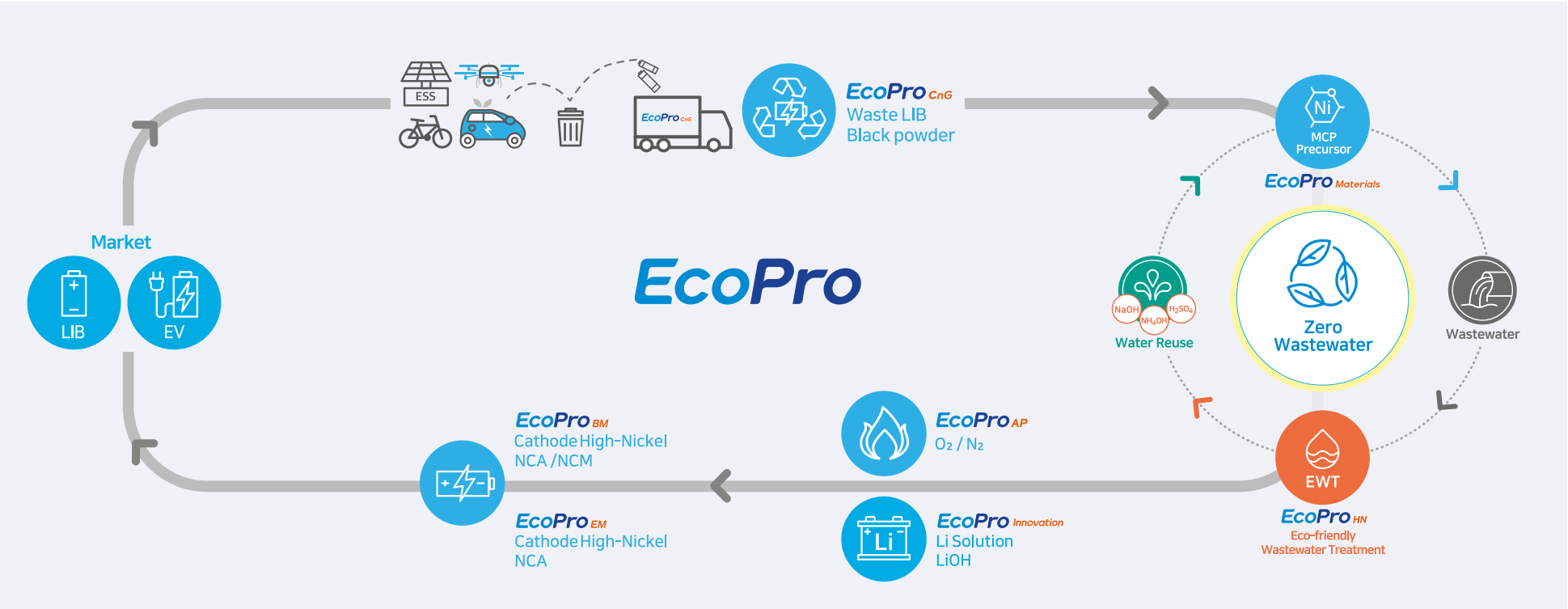
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Value Integration

EcoPro Group's Secondary Battery Ecosystem Strategy: Eco-friendly Closed-Loop System

EcoPro is the sole provider of Korea's one and only battery cathode materials value chain, the closed-loop ecosystem. EcoPro Innovation, EcoPro Materials, and EcoPro AP supply lithium hydroxide, precursors, and high-purity oxygen and nitrogen, respectively, to EcoPro EM and EcoPro BM for cathode production. Subsequently, the cathodes are delivered to cell manufacturers for battery production. EcoPro CnG collects used batteries and recycles materials such as lithium, nickel, and cobalt, supplying them back to EcoPro Group companies, thus closing the loop. EcoPro Materials works closely with EcoPro HN, a leading provider of comprehensive eco-friendly solutions, to

minimize wastewater from sulfurization and precursor production. The company treats pollutants contained in the wastewater and reuses water using the EWT technique. It also employs a process separation system to turn pollutants to resources and minimize resources wasted. EcoPro Materials is also committed to advancing its recycling technology with the aim of indefinitely circulating water used in the loop, thereby achieving zero wastewater. Cooperation among EcoPro Group companies ensures efficiency in production and enables us to present a vision for the future generations and the planet we live on.





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Value Integration

Eco Battery Pohang Campus at a Glance

EcoPro established the Eco Battery Pohang Campus, a comprehensive closed-loop ecosystem for battery cathode materials, on a 500,000 m² site at the Pohang Yeongilman Industrial Complex. The campus development began in 2017 starting with EcoPro Materials and was completed in October 2022 with the addition of EcoPro Innovation and EcoPro AP. EcoPro aims to enhance synergies among Group companies through continued expansion.





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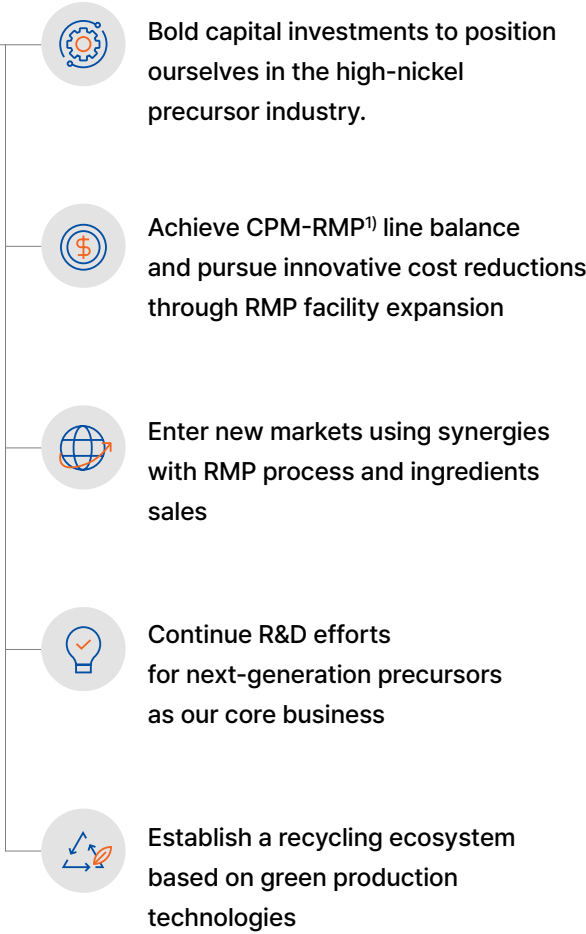
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Future-Oriented Strategies for Sustainable Growth

To maintain its status as the world's leading precursor company, EcoPro Materials has implemented future-oriented strategies that include making bold capital investments, achieving line balance, and pursuing innovative cost reductions. The company is also entering new markets, continuing its research and development efforts, and establishing a recycling ecosystem.

EcoPro Materials



01. Timely capital investment and production capacity expansion

- Secure 200,000 tons of precursor production capacity by the end of 2027 by executing timely capital investments at the Eco Battery Pohang Campus
- Create synergies with affiliated companies located on Pohang Campus

02. Long-term market leadership through the development of next-generation precursors

- Significant improvement in battery performance through the development of next-generation precursors
- Long-term leadership in the industry by applying batteries to various fields

03. Leading hub of global ecosystems based on integrated recycling technology

- Preempt North American and European markets with advanced recycling and eco-friendly production technologies
- Serve as a leading hub for EcoPro Group's integrated global ecosystems

1)CPM: Cathode precursor material production process. RMP: Sulfurization process for raw materials of precursors.



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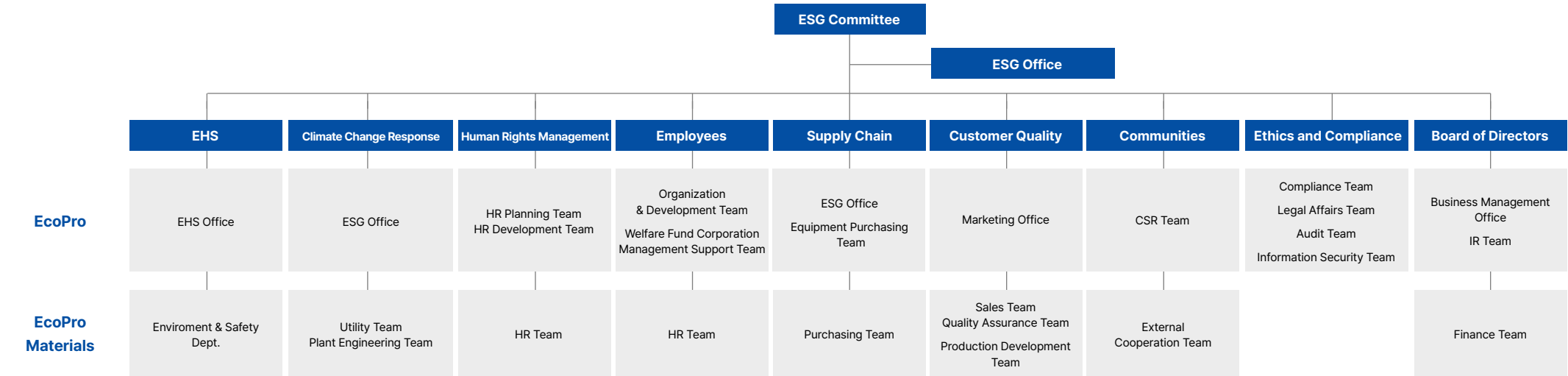
ESG Management Structure

EcoPro Group has developed a groupwide ESG management system that applies to all EcoPro Group companies. Under this system, we have established an ESG vision, common values, and core goals that guide all Group companies' ESG management. For Group-level deliberation and decision-making on ESG-related matters, the holding company operates the ESG Committee, and the ESG Office is responsible for planning and executing ESG management across the entire Group.

ESG Management Goals

Core goal	2050 carbon neutrality	Global energy/environment company	Stakeholder-centered management	Transparent disclosure
Directions	01. Actively respond to climate change. 02. Build an eco-friendly closed-loop ecosystem.	03. Become a world-class energy company. 04. Build a sustainable portfolio.	05. Foster global talent. 06. Solicit stakeholders' input.	07. Internalize world-class ESG management. 08. Ensure transparency in ESG disclosure.
Roadmap	<div>2023~2025</div> <div>Build the foundation for ESG management</div> <ul style="list-style-type: none">Revamp the ESG management system - Group ESG vision and goal setting, governance, etc.Expand the scope of ESG management reviews and disclosures			<div>2026~2030</div> <div>Achieve industry-leading ESG management</div> <ul style="list-style-type: none">Tighten group companies' ESG management activities and performance managementEstablish an ESG risk management systemDisseminate industry-leading ESG practices for each sector

ESG Management Governance





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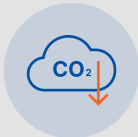


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Mid- to Long-Term ESG Management Goals and Roadmap

EcoPro Materials, in cooperation with other EcoPro Group companies, strives to accomplish its mid- to long-term ESG management goals. In 2023, EcoPro Group further refined its mid- to long-term goals within the existing ESG management framework by reestablishing them into both short-term, three-year goals and long-term goals extending to 2050, focusing on four key areas closely linked with our business environment: human rights, carbon, supply chain, and risk. For each ESG issue, we develop and manage specific strategies, detailed tasks, and measurable targets (KPIs) to guide our efforts.

ESG Management Goals and Activities

Short-term				Mid-term	Long-term
Category	By 2024	By 2025	By 2026	By 2035	By 2050
<div>Human rights</div> <div></div>	<ul style="list-style-type: none">• Introduce a human rights management system<ul style="list-style-type: none">- Establish the Human Rights Declaration and make it public- Promote human rights management programs (grievance handling, whistleblowing, etc.)	<ul style="list-style-type: none">• Solidify the human rights management system<ul style="list-style-type: none">- Strengthen human rights education- Conduct human rights impact assessment and identify tasks	<ul style="list-style-type: none">• Fully establish the human rights management system<ul style="list-style-type: none">- Practice human rights management and make disclosure- Expand the scope of human rights risk management (prevention and monitoring)		
<div>Carbon</div> <div></div>	<ul style="list-style-type: none">• Analyze operation/product-specific carbon emissions• Survey supply chain carbon emissions	<ul style="list-style-type: none">• Develop carbon reduction action plans• Assign supply chain carbon targets	<ul style="list-style-type: none">• Automatically calculate emissions (in connection with ERP/MES)• Monitor supply chain carbon emissions	• Reduce carbon emissions by 55%	• Achieve carbon neutrality
<div>Supply chain</div> <div></div>	<ul style="list-style-type: none">• Advance the responsible minerals system (identify tasks and revise policies)• Conduct supply chain ESG assessments	<ul style="list-style-type: none">• Pursue RMI certification for all Group companies• Publish supply chain due diligence reports	<ul style="list-style-type: none">• Obtain RMI certification for all Group companies• Advance the supply chain system (transparency, traceability)	• Require all business partners to obtain RMI/IRMA certification	• Ensure supply chain transparency
<div>Risk</div> <div></div>	<ul style="list-style-type: none">• Review the risk management system<ul style="list-style-type: none">- Organize a risk management committee	<ul style="list-style-type: none">• Advance the risk management system<ul style="list-style-type: none">- Revamp the monitoring system- Expand the monitoring department	<ul style="list-style-type: none">• Tighten the risk management system<ul style="list-style-type: none">- Introduce monitoring to all departments		



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Stakeholder Engagement and Communication

At EcoPro Materials, we have identified six key stakeholder groups: shareholders and investors, customers, local communities, suppliers, governments, and employees. Driven by our philosophy of mutual growth and shared prosperity, we use various communication channels to understand the interests and concerns of each stakeholder group and ensure that these are integrated into our overall management strategy.

Stakeholder Communication Channels

Stakeholder	Interest	Communication channel		Our response
		Group-specific channels	Common channels	
Shareholders and investors	<ul style="list-style-type: none">Financial soundnessTransparent governanceSustainable management disclosure	<ul style="list-style-type: none">Annual General MeetingFinancial disclosureInvestor relations		<ul style="list-style-type: none">Report business performance through regular disclosuresEstablish and strengthen sustainable management strategiesDevelop advanced mid/long-term business strategies and create future value
Employees	<ul style="list-style-type: none">Work environment and organizational cultureFair performance evaluationJob securityEmployee benefits and work-life balanceWorkplace safety and employee health promotion	<ul style="list-style-type: none">Labor CouncilOccupational Health and Safety CommitteeGrievance-handling channels	<ul style="list-style-type: none">WebsiteWhistleblowing	<ul style="list-style-type: none">Provide programs for employee capacity buildingStrengthen employee benefits and improve organizational cultureEstablish a fair performance evaluation systemResolve employees' grievance through the grievance-handling channel
Customers	<ul style="list-style-type: none">Product and service qualityPrivacy protectionStreamlined communication	<ul style="list-style-type: none">Face-to-face and online communication channelsSales and marketing	<ul style="list-style-type: none">Ethical management violation reporting centerSustainability ReportBusiness reports	<ul style="list-style-type: none">Collect customer opinions and provide feedbackEstablish a secure privacy protection system for customersConduct customer satisfaction surveys
Local communities	<ul style="list-style-type: none">Corporate social responsibility focusing on local environments and future generationsAwareness building and job creation for people with disabilities	<ul style="list-style-type: none">Corporate social responsibility activities for para-athletes		<ul style="list-style-type: none">Organize corporate social responsibility programsRun the university student volunteer group "Eco Bridge"Run the Onnuri Sports Team of para-athletes
Suppliers	<ul style="list-style-type: none">Shared growth and cooperationUnfair conduct and anti-corruption	<ul style="list-style-type: none">Tech meetings with suppliersOn-site meetings with suppliers		<ul style="list-style-type: none">Provide suppliers with technical and managerial supportConduct monitoring of unfair conduct and corruption
Governments	<ul style="list-style-type: none">Legal and regulatory complianceTransparency in tax payment	<ul style="list-style-type: none">Meetings with government agenciesLegal system operations		<ul style="list-style-type: none">Communicate with governments and relevant entitiesEstablish an anti-corruption system



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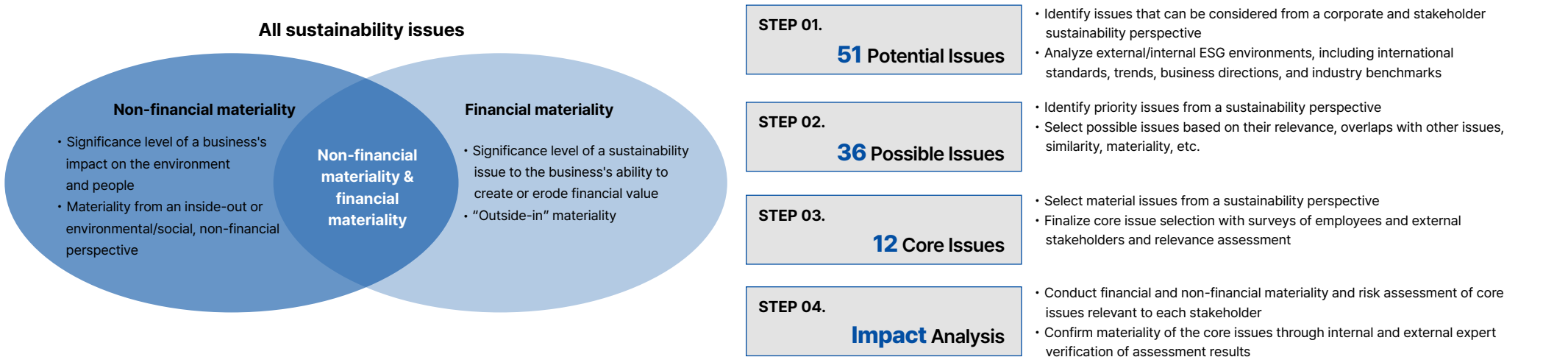
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Double Materiality Assessment

At EcoPro Materials, we conduct double materiality assessments to understand clearly the societal and stakeholder expectations concerning our business environment, as well as the positive and negative impacts of our activities. This process guides the development of our sustainable strategies. We first identified a pool of potential ESG issues through the analysis of global ESG disclosure standards, media coverage, and industry benchmarks. External ESG experts then helped us refine this list to focus on possible issues most relevant to our business. Ultimately, we identified 12 core issues, taking into account feedback from stakeholders and ESG experts, and measured their impact.

Double Materiality Assessment

An evaluation method that identifies material issues by considering sustainability-related matters from both financial and non-financial perspectives that are affected by the organization (inside-out) or affect the organization (outside-in).





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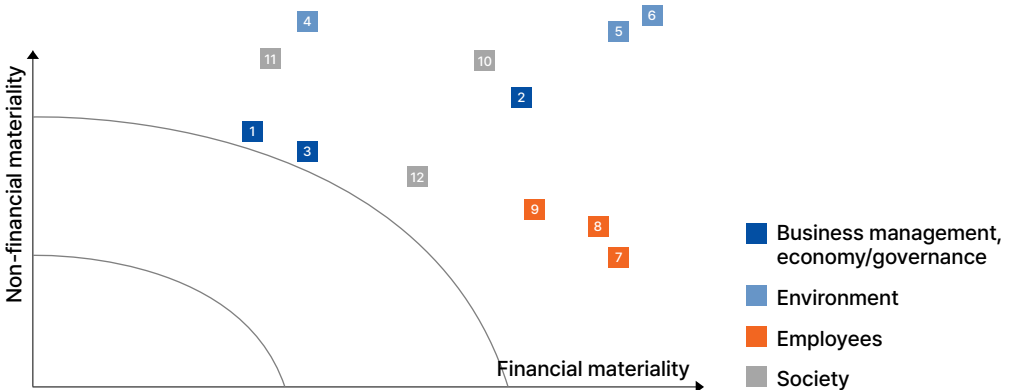
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Double Materiality Assessment

Core ESG Issues

EcoPro Materials identified 12 core issues from a pool of 36 potential topics through stakeholder surveys and expert opinions. These issues were analyzed for their financial and non-financial materiality, guiding the establishment of our mid- to long-term ESG goals and priorities. Moving forward, we will measure the materiality of these 12 core ESG issues and incorporate them into our corporate ESG management system to ensure a proactive and structured response. We will also listen to our employees and external stakeholders to plan sustainable growth and share our achievements with them.



Category	No.	Core ESG issue	Financial materiality	Non-financial materiality	Stakeholder-specific materiality						GRI Index	UN SDGs	Pages in this report
					Employees	Customers	Shareholders/ investors	Suppliers	Governments/ municipalities	Local communities			
Business management, economy/ governance	01	ESG risk management	L	M	L	H	M	L	H	M	-	-	64
	02	Investment in future growth driver	M	M	M	H	M	H	M	H	-	Goal 9	13
	03	Ethical management and anti-corruption	L	M	L	H	M	L	M	H	GRI 205	Goal 16	61-63
Environment	04	Energy saving and expansion of renewable energy	L	H	L	H	H	M	L	H	GRI 302	Goal 7	23
	05	EHS responsibility for chemicals	H	H	H	H	H	H	M	M	-	-	32
	06	Climate change response	H	H	H	H	H	H	M	H	GRI 305	Goal 13	21-23
Employees	07	Work environment improvement for work-life balance	H	L	H	H	M	M	H	L	GRI 401	Goal 8	41
	08	Workplace safety and health	H	L	H	H	M	M	H	L	GRI 403	Goal 3	25-27, 31-33
	09	No child/forced labor	H	L	H	H	M	L	H	M	GRI 408, GRI 409	Goal 16	43-45
Society	10	Efforts for customer satisfaction	M	M	M	H	M	H	M	H	GRI 416	-	49-50
	11	Expansion of legal and compliance management	L	H	L	H	H	M	M	M	GRI 2	Goal 16	61-63
	12	CSR activities	M	L	M	H	M	M	M	H	-	Goal 1, 3 4	54-56

Materiality levels of 12 core ESG issues: top 33%, H; middle 33%, M; bottom 33%, L

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Climate Change Response



Background

The global climate crisis has driven governments to commit to the 1.5 °C scenario, with academia and re- search institutions advocating for even more ambitious targets and actions. As a result, businesses will likely face increasing pressure to implement stronger emis- sion reduction measures, both to address the global climate challenge and to meet their respective national targets.

Management Approach

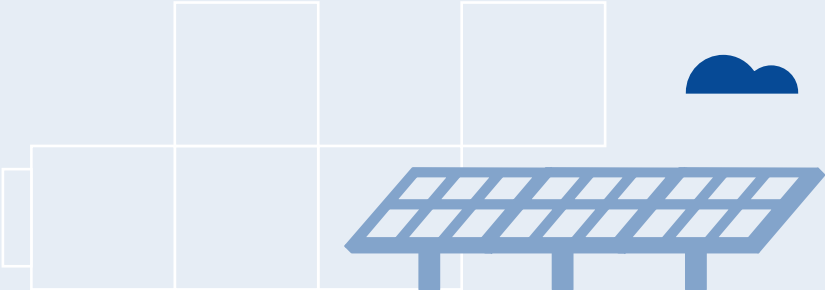
EcoPro Materials is participating in EcoPro Group's TCFD-based GHG disclosures and plans to engage in setting targets and implementing reduction activities based on the SBTi.

- Climate Change Response

Key Performance

Disclosed SCOPE 3 GHG
Selected ten categories

Established carbon-neutrality goals based on the SBTi
Achieve 40% reduction by 2030 and carbon neutrality by 2050





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Climate Change Response

EcoPro Materials is committed to EcoPro Group’s GHG reduction targets and mitigation activities guided by the Task Force on Climate-related Financial Disclosures (TCFD) and Science Based Targets initiative (SBTi) frameworks.

TCFD Framework



01

Governance

The roles of the Board and management in managing climate-related risks and opportunities

Governance for climate change response

The ESG Committee operating under the Board of Directors of the EcoPro holding company spearheads groupwide discussions on ESG-related matters, and the ESG Office is responsible for ESG-related response. The ESG Committee comprises three independent directors and an executive director, with an ESG expert serving as chair. This structure ensures proactive management of climate change and other potential crises that could lead to physical, property, or economic damage within our business operations, as well as effective response strategies should these risks materialize.




02

Strategy

Climate-related risks and opportunities the organization has identified over the short, medium, and long term and their impact on the organization's business, strategy, and financial planning

Building strategies for 2050 carbon neutrality

We have identified climate-related risks and opportunities to establish mid- to long-term ESG strategies and targets for 2050 carbon neutrality. We prioritize eco-friendliness across our business activities and concentrate our efforts to achieve the targets in every aspect of our business operations.



03

Risk Management

The organization's processes for identifying, assessing, and managing climate-related risks

Operating an integrated ESG risk management system

We have an integrated risk management system for both financial and non-financial risks.

Threat	Transition risks	Regulation	Hikes in carbon credit prices, stricter emissions reporting obligations, etc.
		Technology	Costs of transitioning to low-carbon technologies, decarbonization of existing products and services, etc.
		Market	Changes in customer behavior and preferences, raw materials cost rises, etc.
		Reputation	Stakeholder concerns or negative feedback, inadequate workforce management plans, etc.
	Physical risks	Acute	Extreme weather events such as typhoons and floods, etc.
		Chronic	Changes in precipitation patterns, extreme volatility in weather patterns, sea level rise, etc.
Opportunity		Energy resource	Use of low-carbon energy, reduced exposure to future fossil fuel price increases, etc.
		Technology	Developing or expanding low-carbon products and services, diversifying business activities, etc.
		Market	Increased revenue through access to new and emerging markets, etc.
		Reputation	Increases in market value through resilience, improved supply chain reliability, etc.



04

Metrics and Targets

Metrics and targets to assess climate-related risks and opportunities

Achieve 40% GHG reductions by 2030

EcoPro Group has established GHG reduction targets based on the SBTi, and all EcoPro Group companies are striving to achieve the targets.



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Climate Change Response

EcoPro Group has developed a groupwide climate change response structure, under which all EcoPro Group companies disclose data in four areas in accordance with the TCFD Guidelines, i.e., governance, strategy, risk management, and targets and metrics. We are also committed to monitoring changes in global guidelines to ensure accuracy and transparency of our disclosures. We will continue to predict and manage climate-related risks and opportunities and disclose our response in annual reports.

SBTi Reduction Target-Setting Process

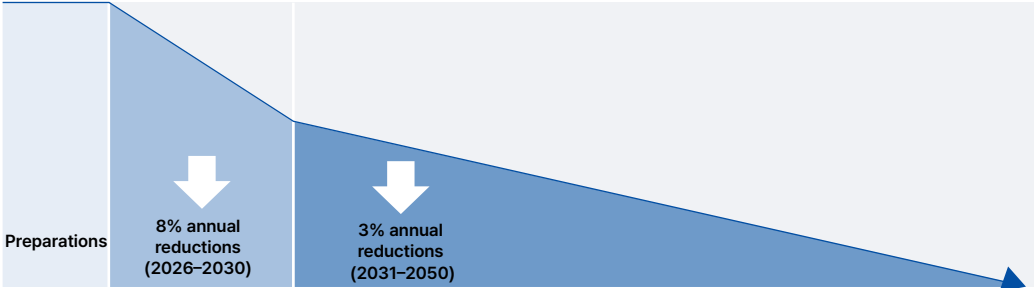
SBTi target-setting process	EcoPro Group's results
1. Set the base year	2023 greenhouse gas emissions
2. Set the target year	Short-term reduction target: 2030/ Long-term reduction target: 2050
3. Set the scope of the reduction target	SCOPES 1, 2 + emissions from the minerals supply chain (Li, Ni, Co, Mn, Al)
4. Select a methodology for reduction target setting	Absolute volume reduction method (linear)
5. Set the reduction target	8% reduction per year from 2026/ 3% reduction per year from 2031

EcoPro Group's 2023 GHG Emissions

EcoPro Group	Reduction target		
	SCOPE 1	SCOPE 2	Minerals supply chain
EcoPro HN	973	3,544	N/A
EcoPro BM	948	124,193	784,658
EcoPro EM	154	116,271	1,480,060
EcoPro Materials	30,611	37,303	671,016
EcoPro Innovation	8,079	16,818	98,576
EcoPro CnG	2,414	3,099	22,153
EcoPro AP	-	36,982	N/A
Total emissions	43,179	338,210	3,056,463

*GHG-specific emissions and site-specific emissions totals may differ (for site-specific emissions, decimalized values are summed to estimate corporate totals).

Results of SBTi Reduction Target Setting



EcoPro Materials' Scope 3 Emissions

No.	Category	Emissions
1	Purchased goods and services	671,016
2	Capital goods	67,832
3	Fuel- and energy-related activities	5,972
4	Upstream transportation and distribution	33,959
5	Waste generated in operations	114
6	Business travel	69
7	Employee commuting	505
9	Downstream transportation and distribution	1,599
10	Processing of sold products	140,815
15	Investments	0
Total (Scope 3)		921,881





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Climate Change Response

Climate Change Response

GHG Reduction Measures

Achieve RE100	Develop low-carbon products	Install solar panels
<ul style="list-style-type: none">Achieve RE100 through PPAs and investmentsSelect RE100-capable sites	<ul style="list-style-type: none">Increase the use of low-carbon raw materials (Mn-rich)Reduce the use of high-carbon raw materials (cobalt)	<ul style="list-style-type: none">Install solar panels on idle spaces such as roofs, parking lots, and exterior walls

Energy Saving Measures

Improve air compressor efficiency	Optimize refrigeration/cooling systems	Introduce a waste heat recovery system
<ul style="list-style-type: none">Introduce an integrated air compressor control systemOptimize compressed air output pressureReplace air compressor VSDs	<ul style="list-style-type: none">Introduce high-efficiency turbo chillersControl chilling pump/coolant pump rotation speedIntroduce outside air to electrical and air compressor rooms	<ul style="list-style-type: none">Recover and reuse exhaust waste heatReuse CO2 dryer purge air
Improve kiln efficiency	Improve dryer efficiency	Build green buildings
<ul style="list-style-type: none">Reduce kiln volumeIncrease kiln insulation (reflective insulation)Improve kiln air conditioning system duct	<ul style="list-style-type: none">Change dryer operation methods (types)Apply electric/PCM dryersInstall spray-foam insulation	<ul style="list-style-type: none">Retrofit LED lights at sites across Group companiesPursue green building conversions, including geothermal systems, insulated windows, etc.

Renewable Energy Expansion Plan

EcoPro's renewable energy expansion plan focuses on securing renewable energy tailored to each business site. In Korea, we will source renewable energy by purchasing renewable energy certificates (RECs) and entering into power purchase agreements (PPAs).

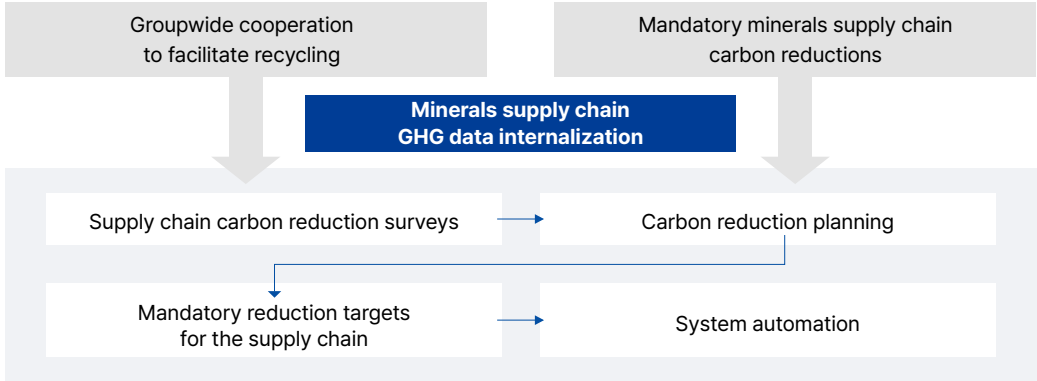
Energy Saving and GHG Reduction

2023	Reduction in energy consumption			GHG reduction equivalent (tCO ₂ -eq)
	Energy source	Unit	Reduction	
Compressed air facility maintenance	Electricity	Kwh	153,859	73
Steam-type change	LNG	Nm ³	33,124	71

2022	Reduction in energy consumption			GHG reduction equivalent (tCO ₂ -eq)
	Energy source	Unit	Reduction	
Filter press dewatering time optimization	Electricity	Kwh	209,604	99
Filter press steam control	LNG	Nm ³	140,206	302

Measures to Reduce GHG Emissions from the Minerals Supply Chain

EcoPro's Eco-Friendly Closed-Loop Ecosystem is a groupwide initiative designed to enhance recycling efforts and reduce GHG emissions, including the waste battery recycling program managed by EcoPro CnG. In addition, EcoPro will closely monitor emissions and GHG reductions across its minerals supply chain and introduce mandatory reduction targets. To support this, the company plans to implement an automated monitoring system aimed at tracking and reducing emissions throughout the supply chain.





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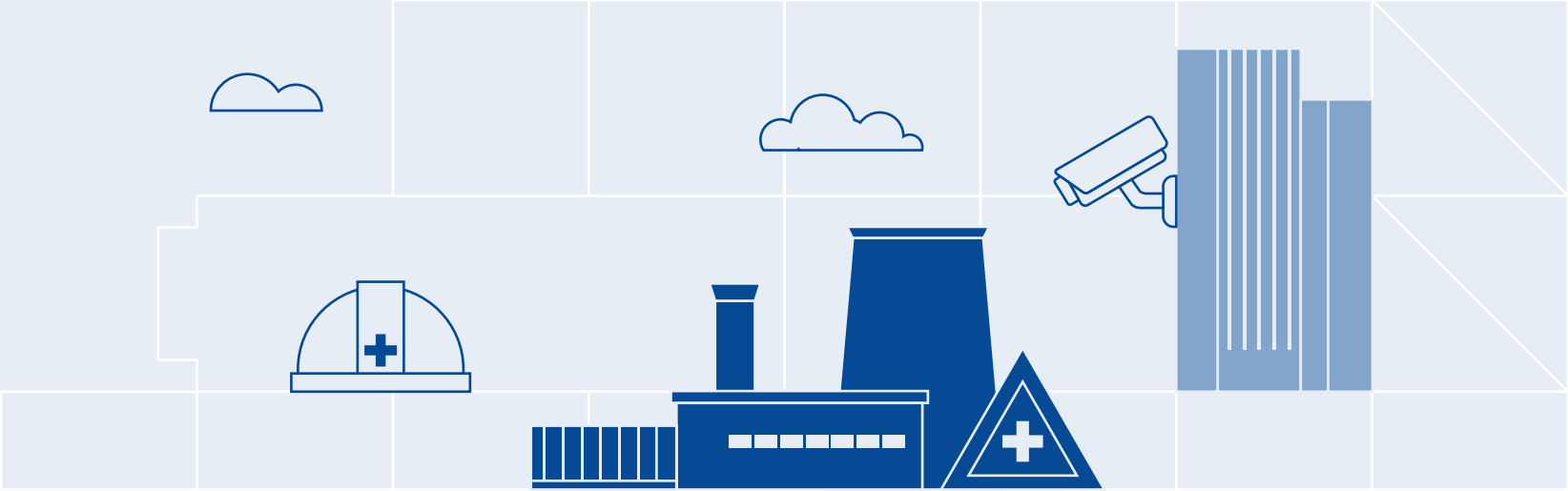
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EHS



Background

Sustainable business management begins with prioritizing environmental protection and the safety and health of employees. As companies have broadened their activities and influence in recent years, there is an increasing expectation for them to assess their environmental impact, work environment, and risks related to disasters, safety accidents, and illness thoroughly. In Korea, the introduction of the Serious Accident Punishment Act has further heightened these expectations.

Management Approach

EcoPro Materials prioritizes field-oriented safety inspections and implements zero-accident strategies while developing processes to address major industrial accidents. These efforts are aimed at enhancing the company's overall safety management system. With a firm commitment from management not to tolerate any accidents, the company emphasizes proactive safety and health management, focusing on prevention.

- Environmental, health, and safety management system
- Green workplace management
- Health and safety activities and performance
- Emergency response

Key Performance

97% recycling rate

Recognized as an Outstanding Company in the 2023 Safety and Health Cooperation Project for Large and Small Enterprises

44 hours of EHS training per employee





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EHS Management System

At EcoPro Materials, environment, safety, and health are integral to our operations. We place the highest priority on environmental protection and the well-being of our employees in every aspect of our business. Our commitment is to build eco-friendly workplaces, implement a robust safety and health management system, and proactively eliminate risk factors that could lead to accidents. Through these efforts, we aim to earn the trust of both local and global communities.

EHS Management Policy

EcoPro Materials’ EHS management places the utmost importance on safeguarding the environment and ensuring the safety and health of its employees. We have implemented world-class environmental management and safety systems, continually reinforcing them through ongoing performance assessments. Our goal is to enhance transparency by regularly sharing information on our environmental, safety, and health performance through training sessions and communication with stakeholders. Furthermore, we are committed to developing processes that ensure full compliance with both domestic and international regulations while strengthening our internal monitoring and management practices.

EHS Policy

EcoPro Materials places the highest priority on environmental protection and the safety and health of our workers. This EHS Policy serves as our roadmap to creating a sustainable, eco-friendly workplace, meeting the expectations of our stakeholders, and growing into a trusted leader both locally and globally.

1. Continuous improvement of environmental and health and safety performance

We develop and implement effective and structured EHS management systems and continuously improve our environmental and health and safety management performance.

2. Continuous pollution prevention and environmental protection

We realize pollution prevention and environmental protection by preventing environmental pollution accidents, improving treatment efficiency, recycling resources, reducing pollutant emissions, and participating in community environmental protection activities.

3. Prioritizing employee safety by eliminating hazards and risks

We take advantage of our experience and technology

to prevent work-related injuries and health hazards, provide safe and healthy work environments, and practice safety and health management through active communication with employees.

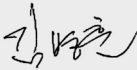
4. Meeting stakeholder requirements and ensuring compliance with laws and regulations

We identify stakeholders’ requirements to satisfy them. We set and faithfully implement internal management standards to comply with EHS laws and regulations and other requirements agreed upon.

5. Transparent EHS management

We provide all employees with regular EHS training to develop their EHS capabilities. We disclose our EHS policy to stakeholders to ensure transparency in our EHS management.

Kim Byung-hoon, CEO



At EcoPro Materials, we fully understand and practice this EHS policy to create an eco-friendly and safe workplace.

EHS Management Goals

In our pursuit of EHS management, we have established clear goals across several areas: system management, compliance, eco-friendly workplace initiatives, fostering an EHS culture, and enhancing internal and external communication. To maintain robust system management, we are committed to retaining our ISO certifications and setting ambitious goals that exceed statutory requirements. Our efforts to create an eco-friendly workplace focus on mitigating environmental pollution, including activities that reduce wastewater and waste. We have also expanded our external communication efforts to promote EHS culture and reinforced training programs through external organizations. Our commitment to workplace safety and health is reflected in our goal to establish a safety and health management system that meets international standards. We are dedicated to managing safety and health beyond the legal minimum, taking proactive measures to ensure a safe work environment, and internalizing EHS practices at every level of the organization. These initiatives underscore our commitment to creating a safer company.

System Management

- ISO 14001 (Environmental Management System)
- ISO 45001 (Health and Safety Management System)

EHS Culture Creation, Internal and External Communication

- Strengthen external communication (councils, monitoring groups, etc.)
- Increase employee safety activities (events, campaigns, etc.)
- Strengthen the intensive on-site training by external organization

Legal Compliance

- Stay within the 30% statutory standards
- Evaluate legal compliance
- Manage stakeholder requirements

Green Workplace Creation

- Promote energy saving activities
- Promote waste reduction activities
- Promote pollutant reduction activities



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EHS Management System

EHS Management Governance

At EcoPro Materials, the CEO holds ultimate responsibility as the chief decision-maker for EHS management. The EHS Officer plays a pivotal role in overseeing the Environment and Safety Teams and is tasked with responding to significant legal changes, reviewing ongoing practices, and leading the development and revision of strategies and policies.



Occupational Safety and Health Committee

EcoPro Materials has formed an Occupational Health and Safety Committee with six employee representatives, elected by vote, and six employer representatives. The committee convenes at least quarterly, addressing a broad array of health and safety topics.

The committee typically covers 20 to 30 agenda items each year. These discussions span annual health and safety management plans, the creation and revision of safety procedures and guidelines, and measures to improve workplace health and safety. Employee representatives are encouraged to voice their concerns and suggestions, and employer representatives provide responses, fostering a collaborative environment for open communication.

In addition, EcoPro Materials emphasizes hands-on safety management by organizing joint labor-management inspections to assess workplace hazards directly on site.

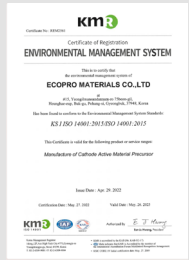
Integrated Environmental, Health, and Safety Certifications

Environmental Management Certification

EcoPro Materials has established a sustainable environmental management system for the production of cathode active material precursors, as evidenced by its ISO 14001 certification. By continuously upgrading its internal environmental management system and enhancing environmental management processes, EcoPro Materials reinforces its commitment to eco-friendly management.

Integrated Health and Safety Certification

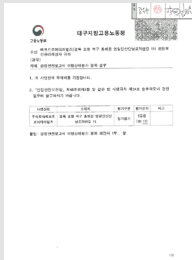
EcoPro Materials has established a world-class safety and health management system evidenced by its ISO 45001 certification. In 2023, the company earned an S grade, reflecting an excellent management level, in the process safety management (PSM) status evaluation conducted by the Ministry of Employment and Labor. This evaluation covered crucial areas such as safety-related materials, risk assessments, operating procedures, facility safety, training, audits, and emergency action plans, with EcoPro Materials achieving outstanding results in all 11 categories. The company's commitment to fostering a safety culture has been recognized through its selection as an outstanding company in the 2023 Safety and Health Cooperation Project for Large and Small Enterprises organized by the Korea Occupational Safety and Health Agency.



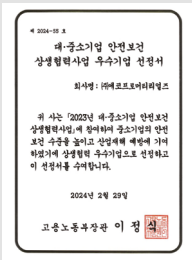
Environmental Management System



Safety and Health Management System



Outstanding company in the Safety and Health Cooperation Project for Large and Small Enterprises



Process safety management (PSM) status evaluation



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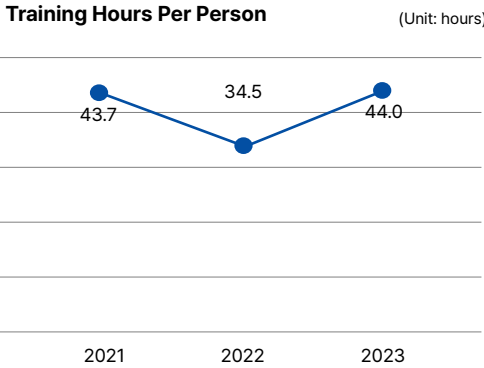
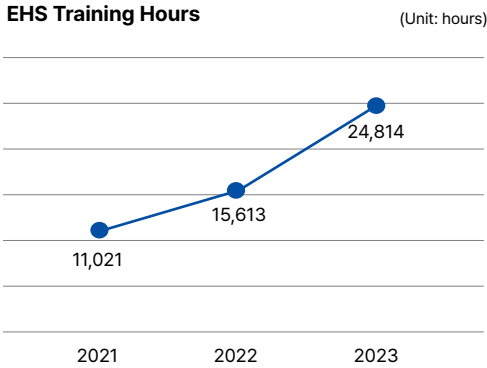
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EHS Management System

EHS Training

At EcoPro Materials, we prioritize comprehensive training and preparedness in the environmental, safety, health, and firefighting areas. In 2023, we conducted a series of both in-house and external trainings as well as emergency response drills. These included eight in-house trainings, three emergency response drills, and 18 external trainings. Our program encompassed regular training sessions for all employees, specialized and intensive sessions for managers and administrators, and statutory training for the CEO in his capacity as the chief safety and health officer.

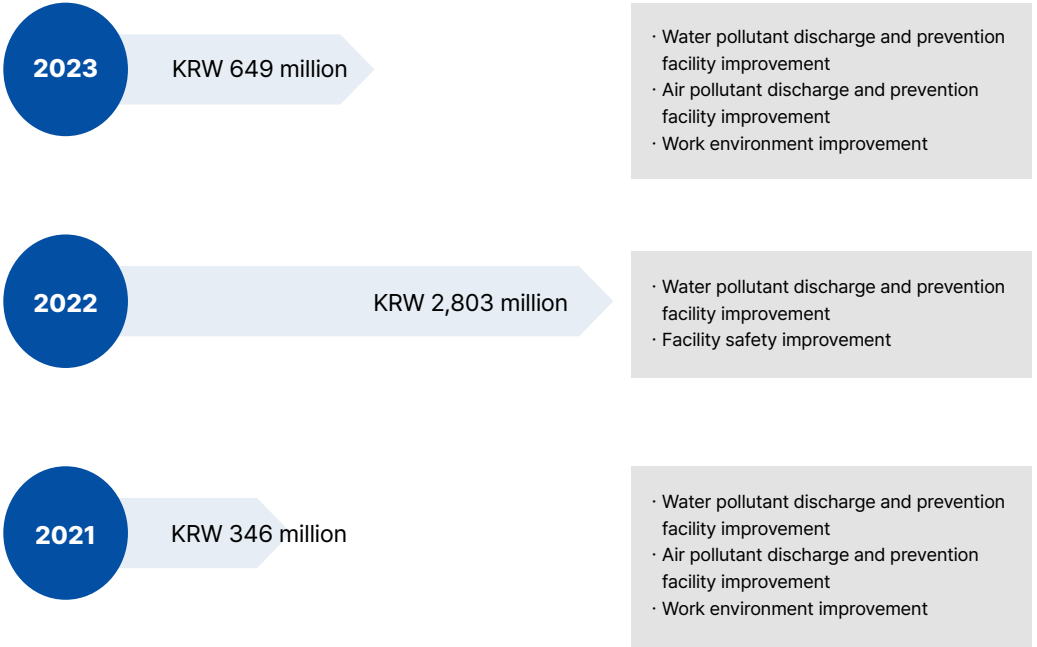
In-house training	New hires, changes in work, special safety and health, regular safety, MSDS, PSM, hazardous chemical handling, etc.
External training	Managers and supervisors, risk assessment personnel, safety and health officers, chemicals management officers, fire safety/hazardous materials safety managers, water/air/waste technicians, etc.
Emergency response drills	Fire drills, emergency response drills, etc.



EHS Investment

At EcoPro Materials, we are dedicated to protecting the environment, enhancing workplace safety, and promoting the health of our employees. To achieve these goals, we invested in various facility improvements, fire prevention measures, safety equipment, health management initiatives, inspections, and comprehensive training in 2023. In 2022, we invested KRW 2.3 billion specifically to reduce ecotoxicity. Moving forward, we will continue to invest in these areas to strengthen our environmental safety and health management systems.

Yearly Investment Status



Green Workplace Management

To keep our workplace green, we monitor emissions data such as wastewater discharge, air pollutant emissions, and waste discharge and take measures to reduce them.



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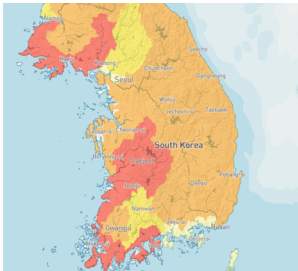
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Water Management

EcoPro Group actively considers site-specific water stress levels and identifies areas exposed to water scarcity. This information is shared with stakeholders to foster a collective understanding of the importance of water conservation. EcoPro Materials focuses on water stress monitoring in Pohang where it operates.

Site-Specific Water Stress

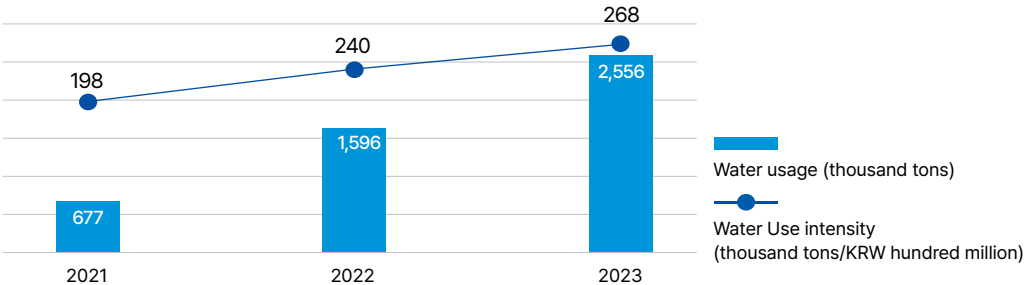


Site	Water Stress
Pohang	<div></div>
(as of April 2024)	
Low (<10%)	Low-medium (10-20%)
Medium_high (20-40%)	High (40-80%)
Extremely high (>80%)	

* Source: World Resource Institute (WRI) Aqueduct, <https://www.wri.org>

Category	Unit	2021	2022	2023
Water Usage	Tons	677,424	1,595,547	2,555,957
Water Use intensity	Tons/KRW hundred million	198	240	268

Water Consumption



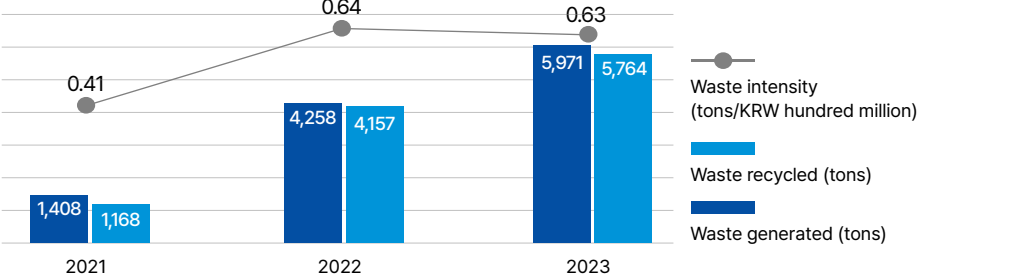
Waste Management

We categorize our waste into general waste and designated waste, and report and manage them in accordance with legal standards. We also actively collaborate with waste disposal services to ensure that more than 95% of the waste is recycled.

Item	Details	Method	Cycle	Relevant standards	Responsible team
Waste management	Manage waste and pollution from production activities	<ul style="list-style-type: none">Manage designated waste storageManage disposal service operationsReport waste generation	As needed	<ul style="list-style-type: none">GeneralDesignated	Environment Team

Category	Unit	2021	2022	2023
Waste generated	Tons	1,408	4,285	5,971
Waste intensity	Tons/KRW hundred million	0.41	0.64	0.63
Waste recycled	Tons	1,168	4,157	5,764
Recycling rate	%	83	97	97

Waste Generation





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Green Workplace Management

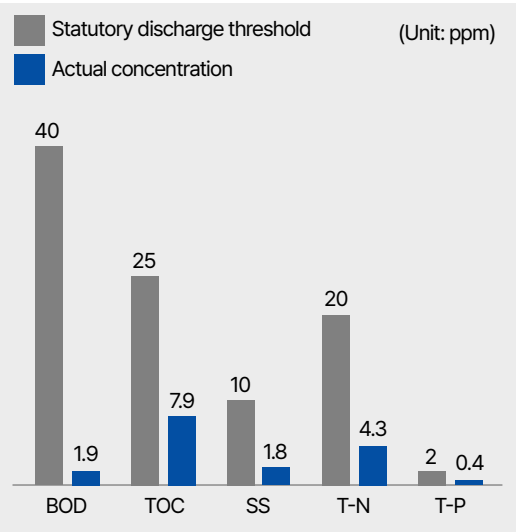
Water Pollution Management

We employ water pollution control measures to manage the discharge and treatment of wastewater. We also regularly manage water quality equipment and supplies using operation logs and checklists.

Item	Details	Method	Cycle	Relevant standards	Responsible team
Wastewater Management	Manage water pollution from production activities	<ul style="list-style-type: none">Water quality managementWater quality equipment and supplies managementOperation log and checklist management	As needed	Wastewater management	Environment Team, Utility Team

Water Pollutant Discharge

Category	Unit	Statutory discharge threshold	Actual concentration	Pollutant concentration relative to the emission threshold (%)
BOD	ppm	40	1.9	4.8
TOC	ppm	25	7.9	31.6
SS	ppm	10	1.8	18.0
T-N	ppm	20	4.3	21.5
T-P	ppm	2	0.4	20.0



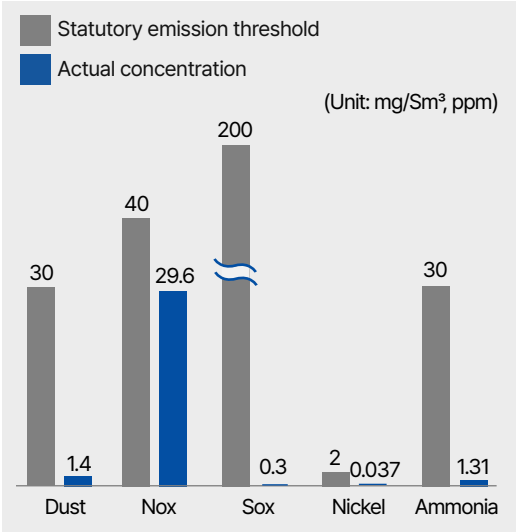
Air Pollution Management

We check and maintain our air quality equipment to manage the emission and treatment of air pollutants. We also regularly manage air quality equipment and supplies using operation logs and checklists.

Item	Details	Method	Cycle	Relevant standards	Responsible team
Air quality management	Manage air pollution from production activities	<ul style="list-style-type: none">Air quality managementAir quality equipment and supplies managementOperation log and checklist management	As needed	Air quality management	Environment Team, Utility Team

Air Pollutant Discharge

Category	Unit	Statutory emission threshold	Actual concentration	Pollutant concentration relative to the emission threshold (%)
Dust	mg/Sm³	30	1.4	4.7
NOx	ppm	40	29.6	74.0
SOx	ppm	200	0.3	0.2
Nickel	mg/Sm³	2	0.037	1.85
Ammonia	ppm	30	1.31	4.37





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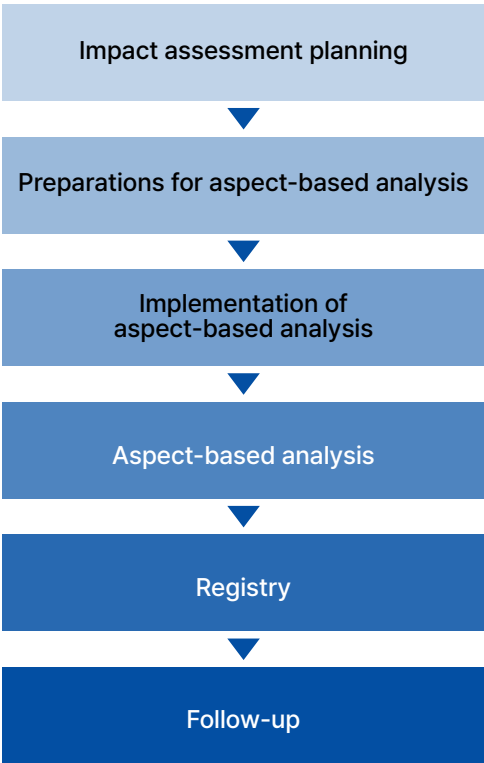
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Green Workplace Management

Environmental Risk Assessment and Management

We consider the likelihood and consequences of pollutions as part of the environmental impact assessments. We also assess the materiality of impacts, as well as impacts on natural resources and energy.

Environmental Impact Assessment Process



Environmental Impact Assessment Criteria

Likelihood of occurrence	<ul style="list-style-type: none">• Management methods• Frequency
Consequence of occurrence	<ul style="list-style-type: none">• Statutory regulation• Risk assessment• Discharge volume• Discharge time and duration
Materiality of impact	<ul style="list-style-type: none">• Scoring• Matrix
Natural resource/energy impact	<ul style="list-style-type: none">• Management methods• Consumption• Possibilities of improvement

Biodiversity

We are committed to protecting biodiversity. To this end, we closely monitor endangered animals and plants in Pohang. The highlights of our activities in this regard include the annual Pohang Hope Forest Tree Planting Project, along with many other environmental protection initiatives. Moving forward, we will strive to expand biodiversity-related activities further.

Pohang Hope Forest Tree Planting Project

On Arbor Day every year, community groups, schools, and citizens in Pohang gather together to plant trees with the shared goal of improving the local environment and making the city greener. EcoPro Materials will remain committed to protecting the local environment and ecosystem.



EHS Activities and Performance

EcoPro Materials actively promotes various safety and health initiatives aimed at creating a secure workplace and preventing accidents involving employees. Our focus is on workplace-centered safety and health management, where all employees are encouraged to see themselves as accountable for safety, thereby ensuring that safety hazards are identified and addressed thoroughly.



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Safety Reward System



Annual and quarterly rewards for achieving zero accidents and safety policy implementation goals

Comprehensive disaster preparedness and emergency rescue drill (Pohang Campus)



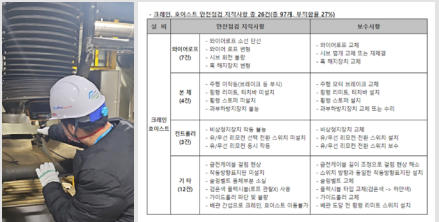
Fire drill for “bombing by an unidentified intruder”
*Participants: 345 people, 42 units

The Eight Absolute Safety Rules



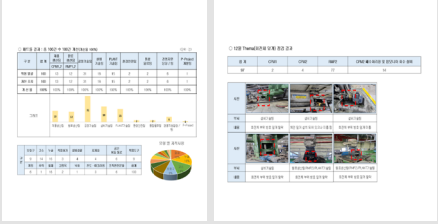
Internal safety policy to reduce safety accidents

Crane and hoist safety inspections



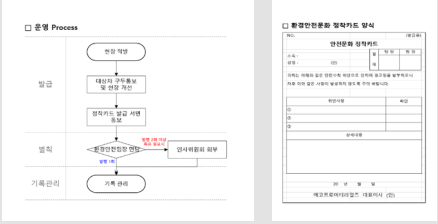
Regular safety inspections that exceed legal standards to prevent falls, drops, and tipping
*Legal standard: Once every two years. EcoPro Materials: Once every six months.

Safety patrol (daily and monthly)



Preventing safety accidents by proactively identifying hazards and risks on site and tracking improvements

Environment and safety culture establishment card



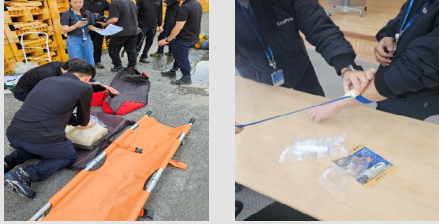
Employees and workers’ spontaneous safety management by applying penalties for violating internal safety policies

Safety and health training on wheels (ongoing)



Worker-friendly safety and health training conducted at field workers’ preferred time and location

Confined space and imminent hazard training



Improving first responder skills in asphyxiation and safety accidents (at least once every six months)



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EHS Activities and Performance

Field-Oriented Safety Management

Joint inspections by management, the Occupational Safety and Health Committee, and the Contractor Council are held monthly under the leadership of the CEO. During the inspections, we share our safety and health management statistics and records with attendees and receive opinions from them. The chief safety and health officer conducts site inspections to verify the implementation of the safety and health management system and improvement measures taken.



Safe Work Permit System

EcoPro Materials implements a pre-work permit system for hazardous tasks to minimize the risk of personal injury and property loss. This system covers various high-risk activities, including the use of fire, work at heights, electricity, heavy lifting, chemical handling, gas and flammable materials management, confined space work, and tasks involving external contractors.

Workplace Safety Cross-Checks

We have formed a diagnostic team comprising members from the safety and health organizations across all EcoPro Group companies. This team conducts biannual cross-checks of each company's safety and health management systems. The goal is to identify new risk factors from an external perspective and proactively address potential hazards to mitigate risks. By sharing and applying the strengths of each company's safety management practices, the Group continually enhances its overall safety management standards.

Win-Win Cooperation for Safety and Health

Since 2021, EcoPro Materials has been actively participating in the Ministry of Employment and Labor's Win-Win Cooperation Project to help build an autonomous safety management system by enhancing the safety and health management capabilities of our suppliers. EcoPro Materials has consistently upheld its commitment to social responsibility by implementing a comprehensive safety and health management system designed to prevent occupational accidents. This system encompasses a broad range of initiatives, from developing detailed safety and health management plans to conducting hazard identification, risk assessments, and pre-work safety protocols, as well as ongoing worker health management. In 2023, the Ministry of Employment and Labor recognized EcoPro Materials as an exemplary workplace for fostering win-win cooperation, highlighting the company's proactive contributions to workplace safety.

Hazardous Chemicals Management

At EcoPro Materials, we strictly manage the use and disposal of hazardous chemicals in compliance with chemical control regulations. We ensure that material safety data sheets (MSDSs) are thoroughly reviewed for adequacy, securing and managing MSDS when purchasing chemicals. To enhance safety further, we provide training and distribute relevant MSDS materials to field workers involved in chemical handling processes.

Category	Details	Method	Cycle	Relevant standards
Hazardous chemicals	Manage toxic and hazardous substances used in production or generated as by-products	<ul style="list-style-type: none">• Use and dispose of in accordance with the chemicals control guidelines• Treat in accordance with waste management guidelines	As needed	Chemicals control
MSDS	Substance-specific safety management for toxic and hazardous substances used in production	<ul style="list-style-type: none">• Obtain MSDS when purchasing chemicals• Disseminate to teams involved in relevant processes and activities• Conduct regular training	As per the training plan	Adequacy assessment

Employee Health Management Activities

At EcoPro Materials, we conduct biannual surveys of our work environment through an external organization. Based on the findings, we install new facilities to enhance worker safety and improve the effectiveness of our operations. To safeguard field workers further, we provide personal protective equipment tailored to their specific tasks and ensure that hazardous or high-risk workers receive proper training on the correct use of this equipment. All employees undergo comprehensive medical examinations, including both general and specialized checkups. We also actively promote health improvement through a range of health programs. Recognizing the characteristics of the manufacturing industry, we have implemented a prevention plan for musculoskeletal diseases including risk factor surveys to help mitigate the health risks of employees.



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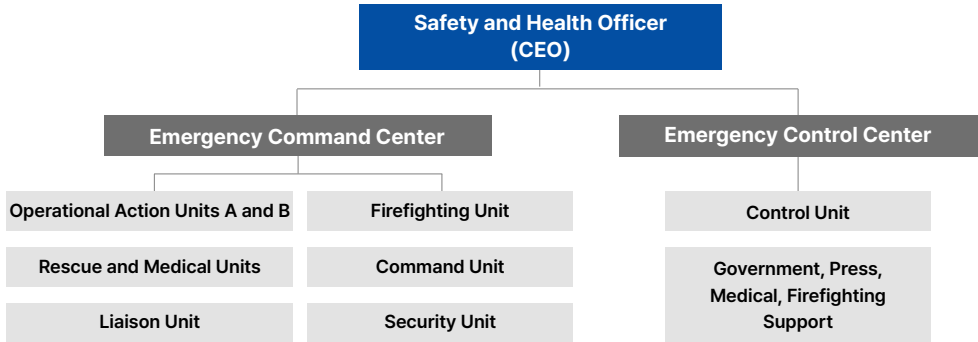
Emergency Response

EcoPro Materials has developed a comprehensive system to respond to potential accidents and emergencies across our business activities, products, and services. This system includes detailed risk response manuals tailored to various scenarios, such as safety incidents and major industrial accidents. To ensure preparedness, we conduct mock emergency drills at least once a year.

Emergency Response Structure

EcoPro Materials has implemented a robust reporting system designed to connect the first witness of any incident with team leaders, the Environment and Safety Team, the Environment and Safety Officer, and the CEO swiftly. Additionally, these reports are promptly forwarded to public authorities and the integrated control center.

Emergency Response Organization and Roles

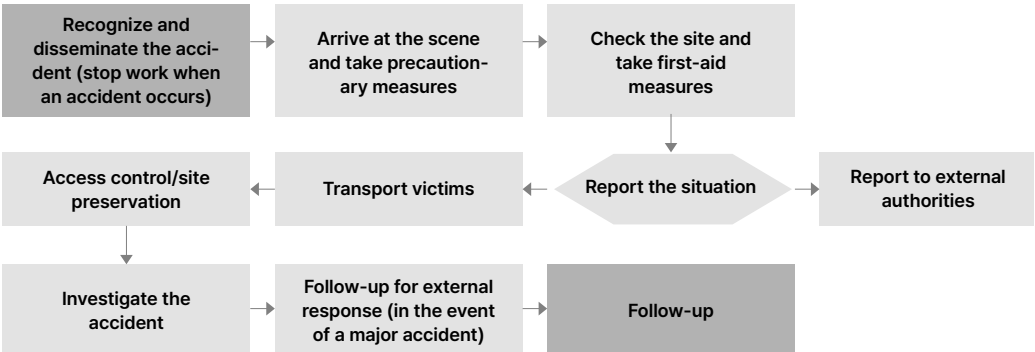


Person in charge	Roles
General Manager	Transition to a facilitywide emergency, decision-making, communications control, and official reporting
Head of Emergency Control	Mobilize and direct the emergency response organization, deploy emergency control personnel and equipment, identify the impact of the emergency and decide whether to evacuate, and establish and implement measures to prevent recurrence
Emergency Control Team	Install and operate the control center, identify visitors and guide evacuations, convene and control emergency personnel, ensure situational awareness and control emergency activities, lead rescue activities, identify those injured and take measures accordingly, etc.
Recovery Unit	Check and repair the condition of infrastructure such as dikes, water collection pits, and other civil engineering facilities

Emergency Response Process

EcoPro Materials has established a comprehensive risk response manual to ensure preparedness for various emergencies, including safety accidents, major industrial incidents, imminent dangers such as fires, explosions, and leaks, as well as disasters such as earthquakes and collapses. Employees on site are empowered to assess risks and take immediate action, such as pressing the emergency stop button or halting work, if they determine a situation cannot be safely resolved. After addressing the risk, they report and share the outcome with their supervisors. To foster a culture of safety, we have a clear policy ensuring that employees will not face any unfavorable treatment for making the decision to stop and, thereby enhancing workers' safety awareness and encouraging prompt action.

Safety Incident and Major Occupational Accident Response Process



Emergency Response Drill

Emergency response drills are conducted at least annually, in alignment with our emergency response manual. These drills encompass a wide range of scenarios, from emergency operation procedures to evacuation and firefighting plans. When new raw materials are introduced or significant changes occur in equipment, facilities, processes, or operating procedures, we ensure that workers are fully trained on these updates, including conducting emergency shutdown drills. During each drill, evaluations are performed, and the results are recorded. Based on these findings, we develop and manage plans for continuous improvement to address any issues identified.



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Human Rights Management



Background

Everyone deserves to live in a society where there is no discrimination based on gender, age, religion, race, nationality, disability, or sexual orientation. Companies bear a significant responsibility to uphold human rights within their operations. This entails respecting the rights of all stakeholders, including employees, and incorporating strong human rights practices into all business activities.

Management Approach

EcoPro Materials actively supports international human rights guidelines and has formally adopted the Human Rights Management Charter. To ensure ethical behavior and sound decision-making, EcoPro Materials shares a set of rules designed to guide employees in upholding these values. The company is dedicated to ensuring that no stakeholder's rights are violated during the course of its management and business activities.

- Human Rights Management System

Key Performance

Declared **the Human Rights Management Charter**





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Human Rights Management System

EcoPro Materials is dedicated to upholding the value and dignity of all stakeholders involved in its business operations. We work to create an environment where the rights of everyone are respected, fostering a workplace that promotes fairness and inclusivity. To support this, we have developed the Human Rights Management Charter, along with a comprehensive implementation system that ensures people-centered corporate management is practiced throughout the organization.

Human Rights Management Declaration

EcoPro Materials is committed to protecting and respecting the rights of all stakeholders, including employees, suppliers, and customers. We have established the Human Rights Management Charter and detailed principles in line with international human rights standards and guidelines such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGPs), the UN Global Compact (UNGC), and the International Labor Organization (ILO).

Human Rights Management Charter

EcoPro Materials declares this Human Rights Management Charter to implement human rights management actively and prevent human rights violations of all stakeholders, including employees, partners, and customers, who are affected by its business operations. For the implementation of human rights management, EcoPro Materials will exert its utmost efforts to endorse and comply with international standards and guidelines relating to human rights and labor, such as the Universal Declaration of Human Rights, the UN Global Compact, the core conventions of the International Labor Organization, and the OECD Due Diligence Guidance for Responsible Business Conduct, and develop a corporate culture that respects human rights.

First, we put people first and respect and actively practice national and international universal norms and values regarding human rights.

First, we prohibit any discrimination based on nationality, gender, age, disability, sexual orientation, region, religion, and social status.

First, we respect the dignity and worth of our employees as human beings and ensure their human rights.

First, we support and work with our suppliers to practice human rights management for responsible supply chain management.

First, we are committed to protecting the life, health, and safety of our customers in our business activities.

First, we respect the human rights of local people and strive to improve their rights.

Kim Byung-hoon, CEO

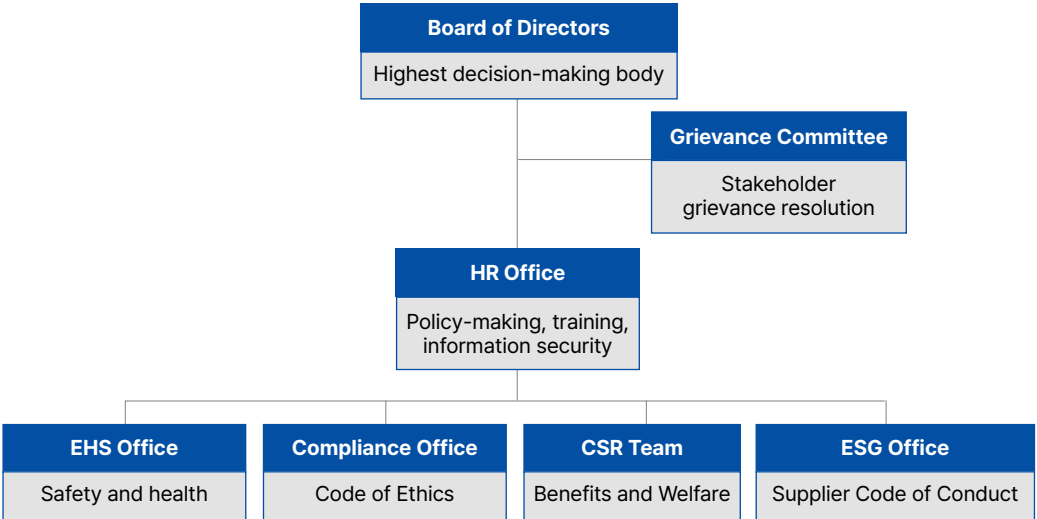


Detailed Rules of Human Rights Management

Prohibition of Forced Labor, Child Labor, and Human Trafficking	Occupational Safety Guarantee	Protection of Local People's Fundamental and Environmental Rights	Compliance with Labor Conditions
Nondiscrimination	Freedom of Association and Collective Bargaining	Customer Rights Protection	Responsible Supply Chain Management

Human Rights Management Structure

For human rights management, the EcoPro holding company takes the leadership in groupwide decision-making, in working-level cooperation with each Group company's HR team.





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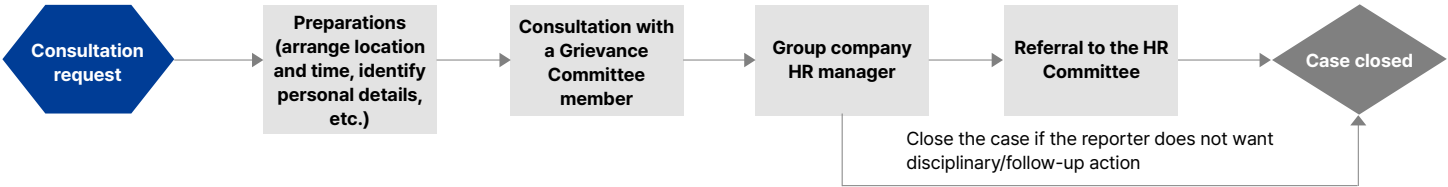
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Human Rights Management System

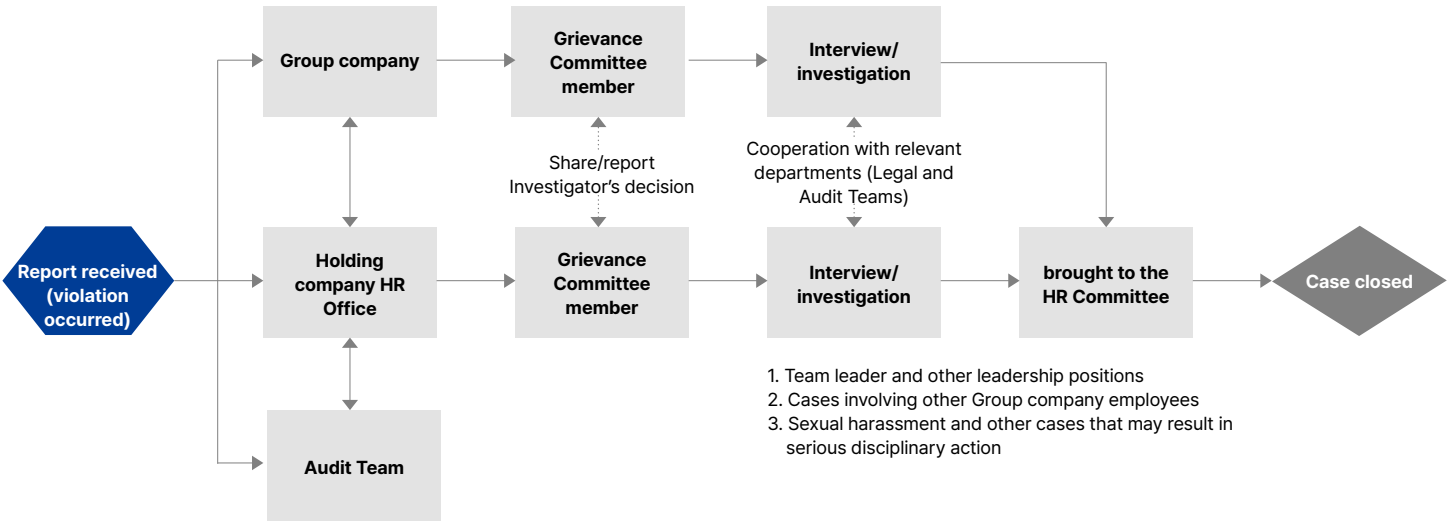
Grievance Handling

At EcoPro Materials, the grievance handling process encompasses three key aspects: daily lives, legal issues, and ethics. We provide multiple reporting channels, including online options such as our website, email, and social media, as well as telephone access, all available 24/7. Upon receiving a report, a designated individual is assigned within one day to address the concern, and the whistleblower is promptly notified of this assignment. This structured approach ensures that we effectively protect the rights of employees and stakeholders while continuously improving the work environment.

Grievance-Handling Process (general)



Grievance process (cases that may result in serious disciplinary action)



Grievance Principles

At EcoPro Materials, whistleblower protection is of overarching importance in all grievance handling process. All reporting channels are easily accessible to anyone, and we guarantee that no individual will face any penalties or adverse consequences for making a report.

Anonymity guaranteed	Whistleblower protection	No adverse consequences
Open to everyone	Fast and accurate	Objection procedures

Grievance Counseling Program

EcoPro Materials offers grievance counseling programs to provide support for employees dealing with challenges such as work-related stress, mental health issues, work-life balance, or any other workplace concerns. We also ensure access to emergency counseling services when needed. These grievance programs are specifically designed to protect the rights of our employees.

Human Rights Management Enhancement Plan

EcoPro Materials aims to enhance human rights management by taking a phased approach to the establishment of the human rights management system. In 2024, we will introduce a comprehensive human rights management system. In 2025, we plan to launch human rights education programs and form a Human Rights Management Committee.



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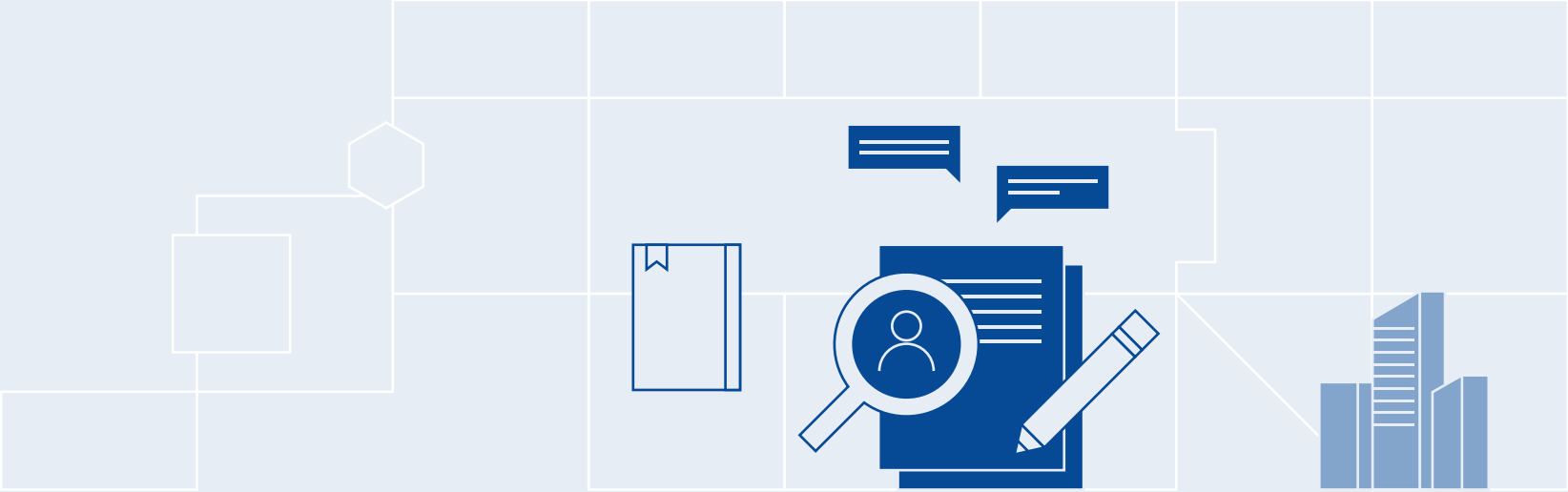
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Background

The growth of employees is essential to driving a sustainable company. To achieve this, it is crucial to recruit and select talented individuals through fair opportunities and provide them with the support needed to develop their skills. Equally important is fostering an organizational culture that encourages employee engagement and promotes a healthy balance between family and work.

Management Approach

EcoPro Materials is committed to developing talent that aligns with the changing business environment. To achieve this, we plan and implement various programs aimed at creating a healthy and horizontal organizational culture.

- Human resources management
- Horizontal organizational culture
- Work-life balance
- Labor-management communication

Key Performance

Overseas Training for All Employees
on the 25th Anniversary

Family-Friendly
Management Certification





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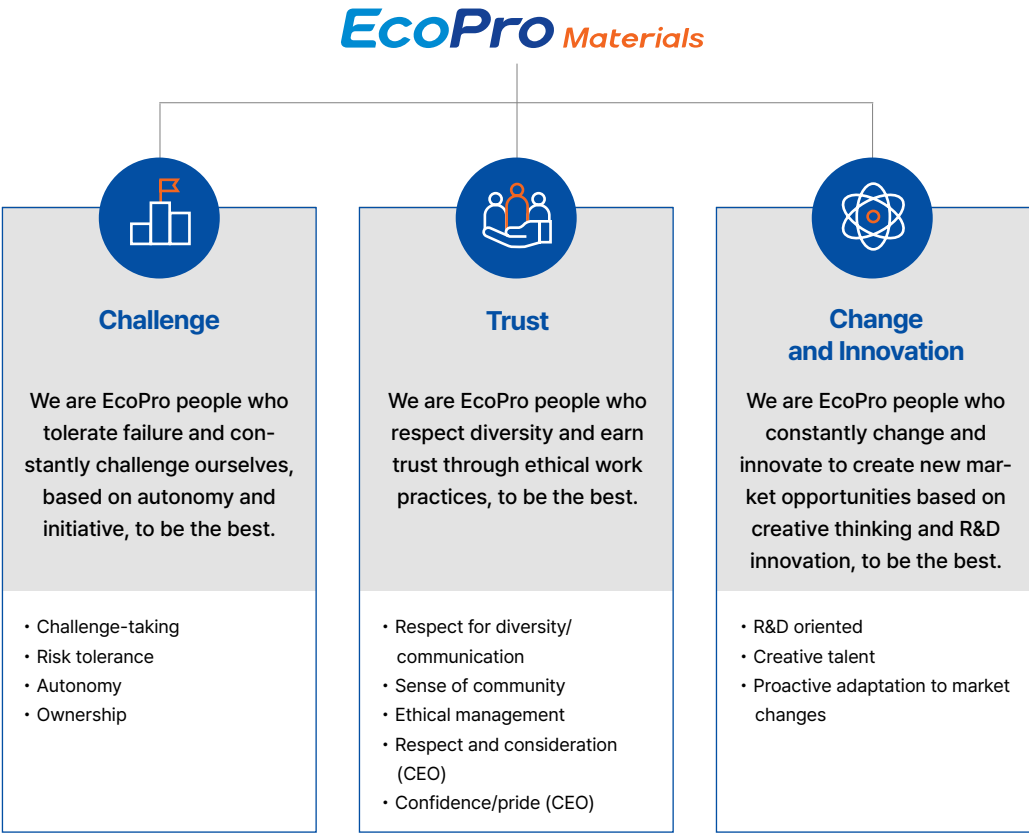
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Human Resources Management

EcoPro Materials has established a systematic recruitment and talent development process guided by three core principles: "challenge," "trust," and "change and innovation." We actively seek out promising individuals and provide them with opportunities to excel in the global market. This approach enables us to nurture talent that contributes to our growth as a global leader in precursor production.

EcoPro Materials’ Model Talent

EcoPro Materials is committed to attracting and retaining talents that have the core competencies of challenge, trust, and change and innovation.

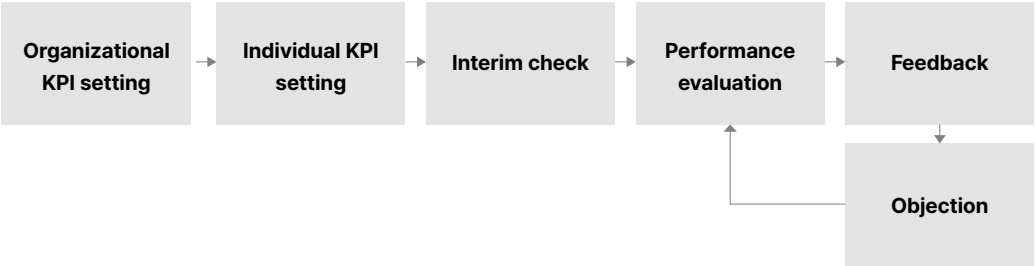


Employee Diversity and Equity in Recruitment

EcoPro Materials has structured its recruitment system to ensure equal opportunities for all applicants and to hire talented individuals through fair recruitment procedures. During the hiring process for both new and experienced employees, we conduct job suitability assessments that take into account the specific requirements of each position while ensuring fairness. In full compliance with the Fair Hiring Procedure Act, we strictly prohibit any form of discrimination in the recruitment process. We do not discriminate based on factors unrelated to ability, such as gender, age, social status, or geographic background.

Performance Evaluation and Compensation

At EcoPro Materials, employee evaluations are centered on performance. Our performance evaluation system takes into account organizational goals, individual objectives, and self-assessment. Fairness in evaluations is further ensured through interviews and feedback sessions. The outcomes of these evaluations are directly tied to our compensation system. We are committed to paying equal salaries to both male and female employees and strictly adhere to government minimum wage regulations.





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Human Resources Management

Human Resources Development Strategy

In response to the rapidly changing business environment, EcoPro Materials has set its human resources development focus on "expertise," "growth," and "creativity." With this direction in mind, we have created a human resources development system aimed at enhancing the skills and competencies of our employees. Furthermore, we cultivate an environment that encourages employees to develop their abilities voluntarily by offering various training programs designed to support the growth of the entire organization.

Human Resources Development System

Expertise		Growth		Creativity	
Core value	Leadership	Common capabilities	Job-specific skills	Degree/global	Self-directed learning
New hires (Career positions and operational staff positions) Open recruitment onboarding Statutory training Core value familiarization	Newly appointed executives Program for team leaders Program for promotion Field manager program	How to use Chat GPT at work Business document writing Problem solving/ planning Accounting in business Innovative management strategy	Basic chemistry for secondary batteries Cell/module production/ testing Secondary batteries and electric vehicles Four core materials Understanding secondary batteries	Human resources development degree programs Training programs for overseas employees in Korea Pre-deployment training for expats In-house language courses OPIC test-takers class General conversation class	CAMP self-directed learning group Dosirak (reading education) Professional qualification support (operational staff positions) Online education Offsite training support

CAMP (Self-Directed Learning Group)

CAMP is an open community where employees come together to share and discuss their knowledge and expertise on topics of interest. At CAMP, our employees organize study groups to improve their professional and personal skills.



In-house Global Training

As EcoPro Materials expands globally, we are actively supporting employees in enhancing their global competencies by encouraging them to take certified English language tests. In addition , we have introduced an in-house language course to help employees improve their language skills. Looking ahead, we plan to broaden the scope of training opportunities, enabling all employees, including those in both administrative and operational roles, to access foreign language training and further strengthen their global capabilities.

Self-Development Support

EcoPro Materials encourages both operational and administrative employees to enhance their job competencies and pursue self-development in consideration of job-specific work patterns and relevant courses. For operational employees, we provide congratulatory payments for obtaining qualifications such as certified technician, industrial engineer, and master craftsman. For administrative staff, we offer KRW 500,000 annually for 20 hours of self-development training.



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Horizontal Organizational Culture

EcoPro Materials fosters a communication-driven organizational culture that empowers employees and facilitates the collective growth of the company. To strengthen this culture, we organize motivational campaigns and programs aimed at enhancing communication and increasing employee engagement.

TRUST Compliment and Appreciation Campaign

We organize special events to celebrate Lunar New Year and Korean Thanksgiving, where employees are encouraged to express gratitude to colleagues for inspiration for their growth. These events help cultivate trust and positive relationships among colleagues by highlighting beautiful stories of appreciation.

Challenge: Achieve Your Goals

Our employees participate in a goal-setting campaign, where they outline personal goals, ranging from reading and health improvements to savings and hobbies. They announce and share their goals to motivate each other.

Cheering Event

EcoPro Materials’ football team competed in an amateur football championship organized by the Gyeongbuk Ilbo. We organized a cheering event for the team by delivering snacks and supplies.

Snack Events

We organize snack events on a regular basis to boost employee morale. In 2023, we organized various events to boost employee morale and foster a sense of belonging, including events to celebrate reaching KRW 1 trillion in sales. We also provide snacks to night shift workers and those stationed at work sites.



Sports Day

To foster harmony among employees and prevent safety incidents related to seasonal changes, EcoPro Materials organizes a foot volleyball tournament. This initiative encourages teamwork, allowing employees to bond over a shared goal while providing a refreshing break from their work routines.



Programs for Family

We organize cultural and art programs for our employees and their families. In 2023, we provided tickets for the Chilpo Jazz Festival, encouraging employees to spend quality time with their loved ones and step away from their daily routines.

Innovation Competition

EcoPro Group organizes annual innovation competitions to discover creative ideas and disseminate best practices. Employees of EcoPro Materials have actively participated in this initiative and have received numerous awards for their ideas, including “an autonomous operation system” and “technology for extracting valuable metals from wastewater.” We are committed to continuing our support for employees' creative activities and research to foster ongoing development.





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Work-Life Balance

EcoPro Materials provides a range of welfare programs designed to enhance the quality of employees' lives and create a better workplace. We place special emphasis on fostering a family-friendly corporate culture, which helps employees achieve a balance between their work responsibilities and family life.


Welfare and Benefits

We are dedicated to offering substantial welfare and benefits to our employees. This includes support in areas such as housing, education, health, culture, and leisure, enabling them to maintain their well-being and pursue self-development. Through these initiatives, we aim to cultivate an environment where employees can engage actively in their work.


Benefits for EcoPro Materials Employees




Housing allowances




Child tuition support




Daycare center




Family event support




Health promotion program



Leisure support



Club activity support



Welfare points

Overseas Training for All Employees on the 25th Anniversary

In celebration of EcoPro's 25th anniversary, all employees across the Group were invited to participate in an overseas training program. This three-day, five-night itinerary was designed to immerse participants in programs focused on change and innovation, global culture, advanced infrastructure, and vision sharing. The initiative was highly appreciated, as evidenced by an impressive satisfaction rating of 4.6 out of 5. This overseas training significantly enhanced their sense of loyalty to the company.



Labor-Management Communication

We encourage labor-management communication for the sustainable growth of the company and the happiness of our employees. As a labor-management communication channel, the Labor Council contributes to building a progressive and cooperative labor-management relationship

Labor Council

The Labor Council at EcoPro Materials is a collaborative body consisting of six employee representatives and six employer representatives. The council convenes quarterly to discuss key matters, and in 2023, it held four meetings. Although it has no collective bargaining authority, it serves as a platform for discussing significant topics such as employee welfare, grievance handling, and work environment improvement. From 2023, each group company deliberates on their own labor-management agenda items. In 2023, EcoPro Materials received and discussed 29 agenda items.

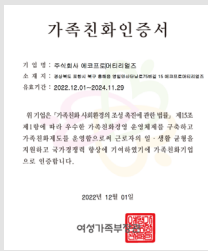
2023 Labor Council Activities and Achievements Overview

Time	Main agenda and discussions
Q1	Corporatewide workshop
Q2	Summer vacation, family event leave, etc.
Q3	IPO, employee ownership, etc.
Q4	Pay rise, Request for explanation about the emergency management system, etc.



Family-Friendly Management

EcoPro Materials is committed to ensuring a healthy work-life balance for its employees, allowing them to focus on their work without the added stress of childbirth and childcare responsibilities. This dedication has been recognized through our achievement of the Best Family-Friendly Management Certification. We place special emphasis on supporting working parents by providing opportunities to share their concerns about childcare, as well as offering resources for mindfulness and parenting education.





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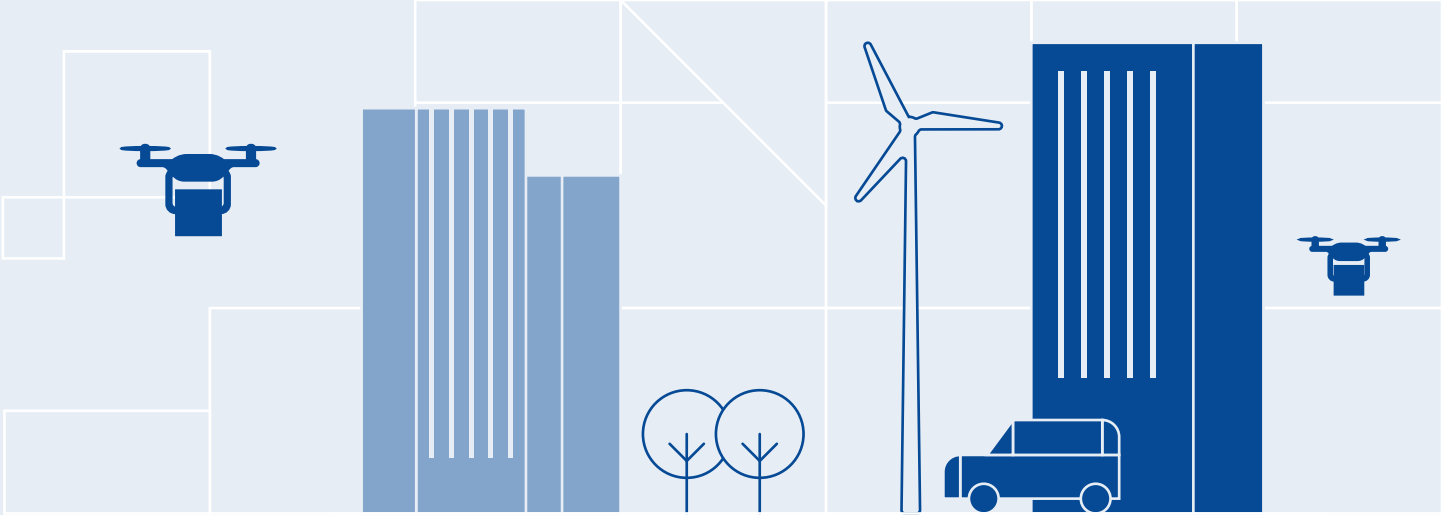
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Background

As a global company, EcoPro Materials recognizes the growing expectations surrounding sustainable and responsible supply chain management. By increasing transparency across the supply chain, we strengthen relationships with our suppliers and build on trust with our stakeholders.

Management Approach

EcoPro Materials has strengthened its responsible minerals policy to minimize any potential negative impacts within our supply chain. In addition, we actively collaborate with our suppliers, supporting their growth and helping them address challenges.

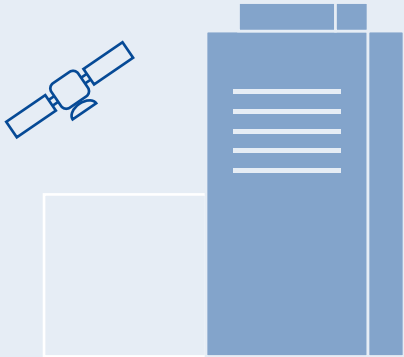
- Shared Growth
- Responsible Supply Chain
- Supply Chain Risk Management

Key Performance

Published **the Responsible Minerals Report**

Conducted **RMI RMAP evaluations**

Strengthened **supplier communication**





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Shared Growth

EcoPro Materials has implemented the Supplier Code of Conduct that lays the groundwork for mutual respect and fair trade practices. We prioritize understanding our suppliers' needs through regular communication, which enables us to address any challenges relating to shared growth proactively.

Supplier Code of Conduct

EcoPro Materials is dedicated to creating sustainable value and upholding social responsibility alongside our suppliers. To this end, we have established the Supplier Code of Conduct, which sets clear standards for our suppliers and business partners regarding their responsibilities in human rights, environmental protection, and safety. We expect all our partners to adhere to these guidelines and to conduct their business operations ethically.

Supplier Code of Conduct

Protecting and Respecting Human Rights	Health and Safety
<ul style="list-style-type: none">• Prohibition of forced labor and human trafficking• Compliance with ethical recruitment practices• Prohibition of child labor• Compliance with local regulations on work hours• Non-discrimination in the workplace• Freedom of association and collective bargaining	<ul style="list-style-type: none">• Maintain a safe work environment• Limit employees’ exposure to risks and improve the work environment
Ethical Management	Environmental Protection
<ul style="list-style-type: none">• Zero-tolerance policy for bribery, corruption, extortion, and embezzlement• Disclosure in accordance with industry practices, including labor, health and safety, and environmental management• Privacy and intellectual property protection• Compliance with fair trade, advertising, and competition standards• Anonymous whistleblowing channels• Compliance with trade controls and economic sanctions• Responsible mineral sourcing and due diligence on the source and chain of custody of tantalum, tin, tungsten, and gold	<ul style="list-style-type: none">• Comply with environmental requirements and policies• Minimize impact on climate change in accordance with the United Nations Framework Convention on Climate Change• Achieve continuous environmental improvement by reducing emissions, increasing energy efficiency, and using renewable energy• Identify hazardous materials and use proper handling and control measures• Use recycled and renewable materials and minimize the use of hazardous substances• Characterize organic compounds and comply with proper operation of air pollution prevention equipment• Prevent illegal discharge and leaks with systematic wastewater management

Shared Growth Support Programs

EcoPro Materials is dedicated to helping its suppliers enhance their competitive edge and pursue shared growth. Starting in 2024, we will introduce ESG assessments for our suppliers to evaluate their ESG management status. Based on the assessment results, we will provide targeted training to help suppliers improve their ESG management capabilities.

Financial Support	<ul style="list-style-type: none">• Credit rating support: Supplier credit rating through credit rating service• Payment: Cash payment within one month from account settlement
Management and Technical Support	<ul style="list-style-type: none">• Financial health check: Check suppliers' financial status before placing orders and recommend solutions for any issues identified• Mid- to long-term purchasing contracts in accordance with the group's mid- to long-term growth plan• Reduce the burden on suppliers by providing equipment parts/consumables
Communication Support	<ul style="list-style-type: none">• Supply chain information sharing: Share supply chain intelligence and recommend potential collaborations for suppliers• Early involvement: Hear from suppliers through on-site briefings and collect diverse ideas from them

Supplier Communication System

The Ethics Violation Reporting Center on the EcoPro Materials website serves as a key grievance handling channel for suppliers, allowing them to report issues relating to supply chain policies, due diligence, and systems. In 2023, there were no supply chain-related grievances or reports. To protect whistleblowers, we have implemented a comprehensive whistleblower protection policy and an anonymous reporting system, ensuring that whistleblowers are not subject to unfair treatment. In addition, we actively consider stakeholders' feedback on grievances to improve the grievance process continuously.



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Sustainable Supply Chain

EcoPro Materials acknowledges the social and environmental challenges linked with the mining, processing, and transportation of minerals used in its operations. To address these issues and ensure transparency in the sourcing and production process, we have, in collaboration with EcoPro, enhanced our Responsible Supply Chain Policy. This policy reflects our commitment to ethical supply chain management practices. In addition, we regularly disclose our supply chain activities and performance through the Responsible Minerals Report, fostering communication with stakeholders.

Responsible Supply Chain Policy

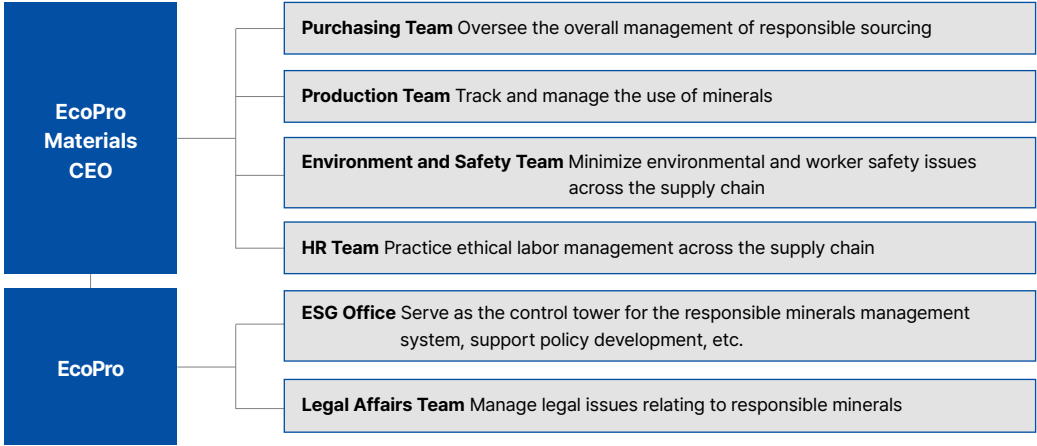
EcoPro Materials has implemented a Responsible Supply Chain Policy to ensure that the sourcing of minerals complies with the OECD Due Diligence Guidance. In addition to the 3TGs (tin, tantalum, tungsten, and gold), which are commonly recognized as conflict minerals, we have identified cobalt, nickel, lithium, manganese, and aluminum as responsible minerals critical to the manufacturing of secondary batteries. We require all of our suppliers to adhere to a responsible supply chain policy aligned with international guidelines.

Risks mentioned in the OECD Due Diligence Guidance Annex II

Risk	Details
Serious abuses associated with the extraction, transport, or trade of minerals	Torture, abuse, inhuman and degrading treatment
	Forced or compulsory labor
	Child labor
	Sexual violence
	War crimes or other violations of international humanitarian law, crimes against humanity or genocide
Forced or compulsory labor	-
Direct or indirect support to private/public security forces	-
Bribery and fraudulent misrepresentation of the origin of minerals	Money laundering
	Non-payment of taxes, fees, and royalties due to governments

Responsible Minerals Management Structure

EcoPro Materials is part of the Task Force on Responsible Minerals Management, which includes participation from all battery-related EcoPro Group companies. This task force holds regular weekly meetings to monitor the status of supply chain due diligence management, identify challenges, and share the latest international trends and information. It ensures that EcoPro promptly reflects international regulations and standards in its responsible minerals management system.



Responsible Minerals Training

To enhance the understanding of responsible minerals management among teams involved in sourcing, EcoPro Materials offers specialized training programs. These programs focus on key international frameworks such as the OECD Due Diligence Guidelines, and best practices from organizations such as the RMI1) and the IRMA.2) In 2023, 41 employees participated in the training. In addition, we have established a weekly task force, primarily involving Purchasing personnel from battery-related Group companies, to stay updated on the latest international trends and supply chain due diligence practices, improving our supply chain management's responsiveness. Going forward, we aim to broaden the scope and target of these training programs to embed further the principles of responsible mineral management across the company.

1) RMI: Responsible Minerals Initiative. (responsible minerals procurement council)
2) IRMA: Initiative for Responsible Mining Assurance



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Supply Chain Risk Management

EcoPro Materials is dedicated to establishing a responsible supply chain across all stages, from mining to processing and transportation. To ensure our supply chain remains free from conflict, human rights abuses, and environmental degradation, we have enhanced due diligence on our suppliers, focusing on identifying and managing potential risks. We also promote responsible procurement practices by participating in third-party assurance programs, such as the RMAP by RMI.

Supply Chain Risk Management Process

EcoPro Materials has embraced EcoPro Group's Responsible Supply Chain Policy guided by the OECD Due Diligence Guidance. To ensure responsible sourcing, we trace the origin of minerals and manage our supply chain through a five-step process, which includes employee training, thorough supply chain documentation, and monitoring. For supply chains of minerals passing through CAHRA,¹⁾ we verify certifications from global councils such as the RMI and the IRMA. We uphold transparency by disclosing all of our activities through our annual Responsible Minerals Report for stakeholders.



1) CAHRA: Conflict-Affected and High-Risk Areas.
2) KYC: Know Your Counterparty, a documented due diligence questionnaire to gather basic information on the self-constructed supply chain.
3) MRT: mineral reporting template, a documented due diligence questionnaire developed by the RMI to collect information on the origin and transportation of minerals.

Management through Internal Control System

EcoPro Materials has implemented a robust internal control system to enhance supply chain management, focusing on efficient communication, grievance handling, and ensuring transparency and traceability throughout the supply chain. Through our traceability management system, we record all supply chain data, monitor the status of warehousing, raw materials, and track product transaction history. To promote human rights and environmental protection across the supply chain, we have shared our Responsible Supply Chain Policy and Supplier Code of Conduct with our suppliers. By applying strict standards, we proactively prevent and manage potential supply chain risks, taking decisive actions such as contract termination if necessary. We maintain a comprehensive database of all communication records and invoices for at least ten years, allowing for verification at any time. In addition, we avoid cash transactions to enhance transparency and accountability.

Supply Chain Risk Identification Activities

Direct and indirect suppliers of secondary battery materials to EcoPro Group companies have been categorized as high-risk and low-risk suppliers. Fifty-two suppliers were evaluated, with four identified as high risk and 48 identified as low risk.

Supply Chain Risk Evaluation for EcoPro Group Companies

	Smelters/primary refineries		Secondary refineries		Total	
	High risk	Low risk	High risk	Low risk	High risk	Low risk
Cobalt	4	6	0	6	4	12
Nickel	0	12	0	6	0	18
Lithium	0	12	0	6	0	18

* Further details can be found in our Responsible Minerals Report.



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Suppliers

Supply Chain Risk Management

Risk Mitigation Activities

At EcoPro Materials, we report annually to the management on the results and progress and monitoring results of supply chain risk mitigation. In 2023, we made the decision to terminate and not renew a contract with a Russian nickel mine due to the inability to implement risk mitigation measures as a result of force majeure relating to war. Looking ahead, we aim to incorporate third-party assessments, such as those by the IRMA¹⁾ and the RMI²⁾, into all new responsible mineral supply contracts starting in 2024. We are also addressing risks tied to sourcing from regions like the Democratic Republic of Congo and other CAHRA³⁾. To promote responsible sourcing further, we are encouraging our upstream mining supply chains to pursue IRMA certification, ensuring that they adhere to ESG standards for responsible mining practices.

RMAP Evaluations

EcoPro Materials has implemented the Responsible Minerals Assurance Process (RMAP⁴⁾) evaluation for its cobalt (Co) and nickel (Ni) refining and precursor production. RMAP is a third-party certification program designed for refineries and smelters, ensuring that their internal control systems and sourcing processes comply with RMAP standards. This certification also evaluates adherence to international standards such as the OECD Due Diligence Guidance, the EU Regulation 2017/821, and the U.S. Dodd-Frank Act. EcoPro Materials has been assigned RMI CID numbers: CID004492 for cobalt and CID004493 for nickel, indicating that the company's practices have been verified by the Responsible Minerals Initiative (RMI) as meeting international responsible sourcing standards.

We recognize that cobalt presents the highest risk in our operations and thus requires continuous close monitoring. In addition, we are actively working to enhance our due diligence and transparency systems for its entire nickel supply chain. We are in the process of obtaining RMAP certification and continue to encourage our suppliers to achieve RMAP certification as well, further reinforcing our commitment to responsible mineral management.

1) IRMA: Initiative for Responsible Mining Assurance (an internationally recognized mining certification body dedicated to socially and environmentally responsible mining practices)
2) RMI: Responsible Minerals Initiative
3) CAHRA: Conflict-Affected and High-Risk Areas
4) RMAP: Responsible Minerals Assurance Process, a third-party assurance program for refineries and smelters by the RMI

Supply Chain Management Performance and Future Plans

In 2023, EcoPro Materials collaborated with EcoPro Group companies to enhance its responsible supply chain management system. Key initiatives included the establishment and dissemination of a Supplier Code of Conduct and the strengthening of risk assessments through improved CAHRA identification procedures. We developed a comprehensive supplier training program aimed at educating suppliers about critical supply chain risks and the global standards they need to follow. In addition, we actively conducted employee training sessions to raise awareness of these key issues. EcoPro Materials also engaged with the RMI by participating in the RMAP, a third-party assurance program, and aimed for inclusion on the RMI Compliance List. Looking ahead, we plan to review our internal organizational structure to clarify roles and responsibilities across departments. We will also analyze global regulatory requirements, including the EU Battery Regulation, and incorporate these into our management practices. To mitigate supply chain risks further, we intend to expand the scope of our responsible minerals management, enhance employee training, encourage suppliers to engage in third-party assurance programs, and improve transaction procedures. This comprehensive approach aims to strengthen the company's internal procedures and management frameworks.

Responsible Minerals Management System Development Process

		2022	2023	2024
Responsible minerals management system	Training	<ul style="list-style-type: none">• A training session for relevant departments	<ul style="list-style-type: none">• A training session for relevant departments• Responsible minerals trends briefing for the purchasing Team during the relevant task force• Development of training materials for the supply chain	
	RMI program participation		<ul style="list-style-type: none">• Participation in the RMAP certification program	<ul style="list-style-type: none">• RMAP certification in progress
	Policy and regulation	<ul style="list-style-type: none">• Responsible minerals management rules and policies	<ul style="list-style-type: none">• Supply chain code of conduct establishment and distribution	<ul style="list-style-type: none">• Advancement of responsible minerals management rules and policies
Responsible minerals report	Topics	<ul style="list-style-type: none">• Task force, rules, policies, activities, and other details	<ul style="list-style-type: none">• RMI participation, inadequacies, achievements and challenges, directions for improvement	
	Significance	<ul style="list-style-type: none">• First supply chain report among EcoPro Group companies	<ul style="list-style-type: none">• Commitment to comply with international standards	



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Customers



Background

Innovative product development and quality improvement are vital components for ensuring customer satisfaction. We aim to meet and exceed customer demands, delivering products and services that align with their needs and expectations. It is also important to strengthen information security to protect the company's sensitive information and stakeholders' privacy.

Management Approach

To enhance our quality competitiveness, EcoPro Materials has successfully obtained quality management certifications that serve to build customer trust. We actively seek out and listen to customer feedback, engaging in various initiatives aimed at continuous quality improvement. In terms of information security, we have implemented a comprehensive information protection management system.

- Quality Management
- Information Security

Key Performance

IATF 16949
Certification

100% Customer
Opinions Processed

Active Response to
International Regulations





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Quality Management

To stand out among the competition, EcoPro Materials focuses on strengthening its quality management system to ensure excellent product quality. We also implement various quality management activities aimed at enhancing customer satisfaction.

Quality Management Policy

Guided by the Quality Management Policy, EcoPro Materials prioritizes the principle of quality. Improving quality competitiveness contributes to enhancing customer trust.

Quality Management Policy

To provide the best quality products to satisfy our customers and stay competitive, EcoPro Materials has established the following quality policy.

01. Customer-centered quality

We aim for quality that exceeds customer expectations and prioritizes customer value.

02. Highest quality

We realize the world's best quality through advanced quality management and ceaseless quality innovation.

03. Principle-driven quality management

We produce products in strict compliance with the standards. We guarantee quality with honesty and integrity.

04. Employee participation in quality innovation

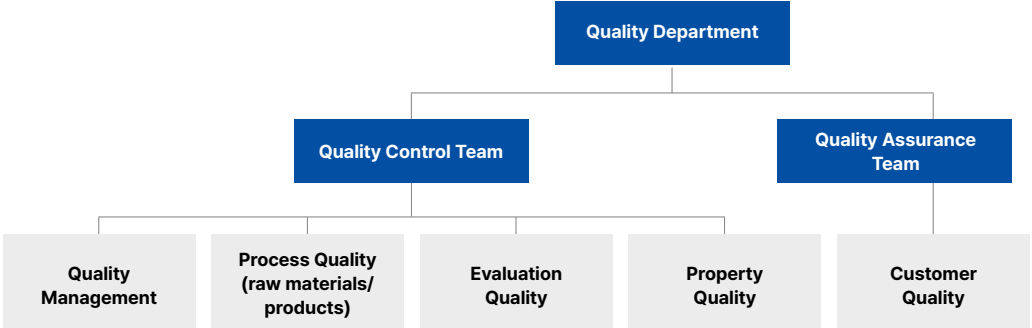
All employees continuously participate in quality innovation activities to play their roles in achieving the world's best product competitiveness.

All EcoPro Materials employees are fully committed to the company's quality policy and dedicate themselves to delivering the highest-quality products to customers.

Kim Byung-hoon, CEO

Quality Management Governance

At EcoPro Materials, the Quality Department oversees the company's quality management practices by the Quality Control and Quality Assurance Teams. Each team has clearly defined roles and processes to practice quality management.



Quality Management Activities

At EcoPro Materials, quality management activities are categorized into materials quality, product quality, evaluation quality, and characteristic quality.

Materials quality	Improve raw material quality and stabilize RMP process quality through materials supplier management
Product quality	Monitor quality and manage SPC through regular (daily) meetings
Evaluation quality	Secure inspection reliability by introducing new analytical methods and systematic equipment management (MSA)
Property quality	Develop and standardize characterization methods for process abnormalities/product development



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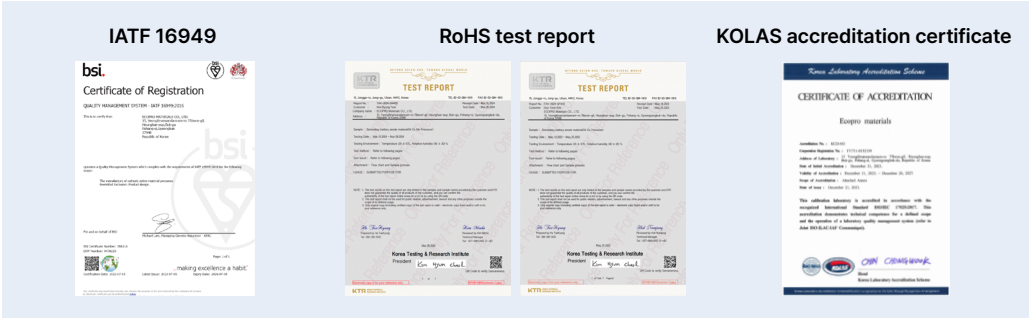
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Quality Management

Strengthening Quality Competitiveness

EcoPro Materials adheres to international quality management standards to adapt to the rapidly changing business environment and customer expectations. We are certified to IATF 16949, the automotive quality management system, and publicly demonstrate product reliability by having our products tested by accredited independent laboratories. As a KOLAS-accredited organization, we ensure the precision and accuracy of our instruments, which further enhances product quality. In addition, we conduct annual analyses and inspections of hazardous substances (RoHS) to ensure the environmental and safety reliability of our products.



Fostering Quality Talents

EcoPro Materials organizes quality education campaigns to redefine the quality mindset among all employees and secure quality competitiveness. We provide annual quality training to strengthen the company's quality practices and enhance their applicability in the workplace.



Strengthening Customer Satisfaction

Increasingly stricter international regulations apply to global exports, including climate change response and supply chain due diligence regulations. In response, EcoPro Materials collaborates with other EcoPro Group companies to analyze and address these regulations. By understanding international regulations and developing appropriate response plans, we enhance our ability to satisfy customer needs.

Response to International Regulation

Regulation

EU Battery Regulation

The Corporate Sustainability Due Diligence Directive (EU CSDDD)

The Critical Raw Materials Act (EU CRMA)

EU Conflict Minerals Regulation

The Corporate Sustainability Reporting Directive (EU CSRD)

Carbon Border Adjustment Mechanism

EU taxonomy for sustainable activities

Modern Slavery Act

US Dodd Frank Sanction

US Uyghur Forced Labor Prevention Act



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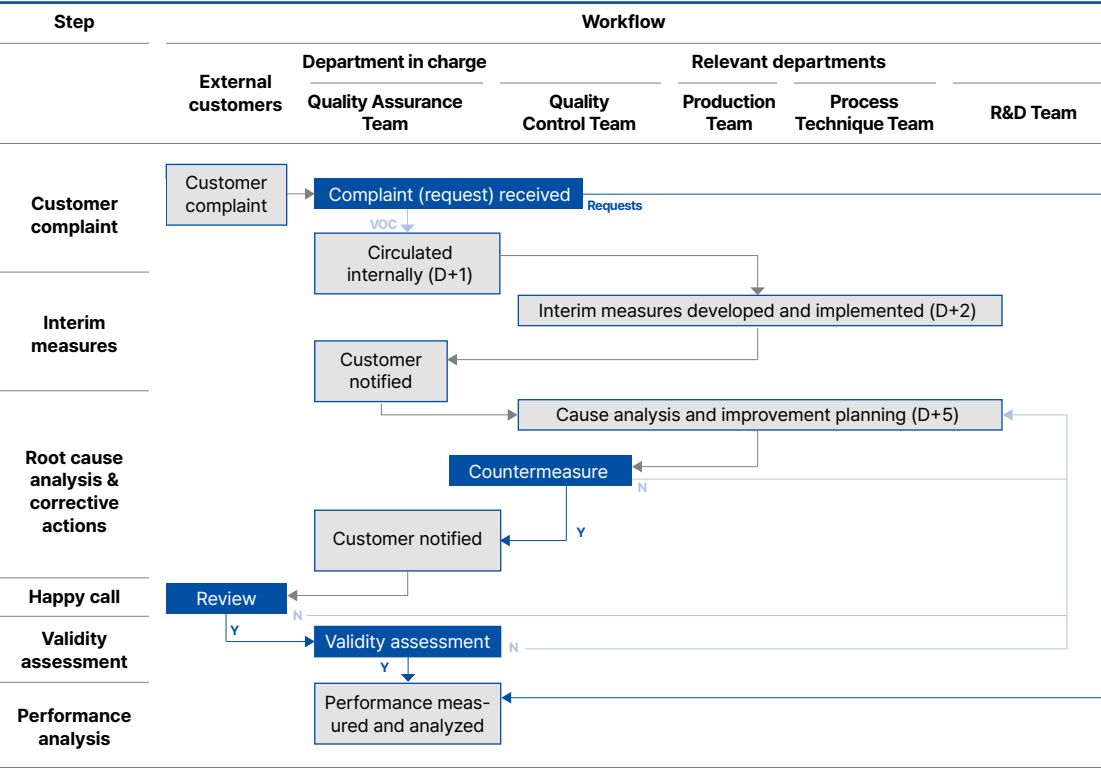
Quality Management

Customer Communication

Quality VOC Response

At EcoPro Materials, we have implemented a customer complaint handling system centered on customer voices (VOCs). Once received, VOCs are circulated internally to formulate response plans, with regular updates reported to management. For more complex issues, we hold immediate response meetings to analyze the root causes and develop countermeasures, which are continuously monitored for quality improvement. This structured approach has resulted in a 100% feedback rate for VOCs.

VOC Handling Process



Customer Satisfaction Survey

To ensure ongoing quality improvement, EcoPro Materials conducts customer satisfaction surveys focused on our products and services. As part of our VOC response, we gather feedback from customers regarding response management, quality control, and audits. This input is used to enhance the quality of our offerings. We systematically incorporate the collected opinions and survey results into our quality management system and activities to enable specific improvements

Customer Satisfaction Survey Items

Category	Survey item
General	<ul style="list-style-type: none">VOC manager response
Customer complaint	<ul style="list-style-type: none">Response time for quality issuesCause analysis and effectiveness of countermeasuresEffectiveness of improvementsContinuous improvement activities
Change	<ul style="list-style-type: none">Compliance with 4MChange Control Board (CCB) operations for validation
Audit	<ul style="list-style-type: none">ResponsivenessValidate improvement



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Information Security

The development of network and AI technologies highlights the importance of risk management for information leakage. EcoPro Materials has built an information security system to protect not only the company's own information assets but also the information assets of customers and other stakeholders.

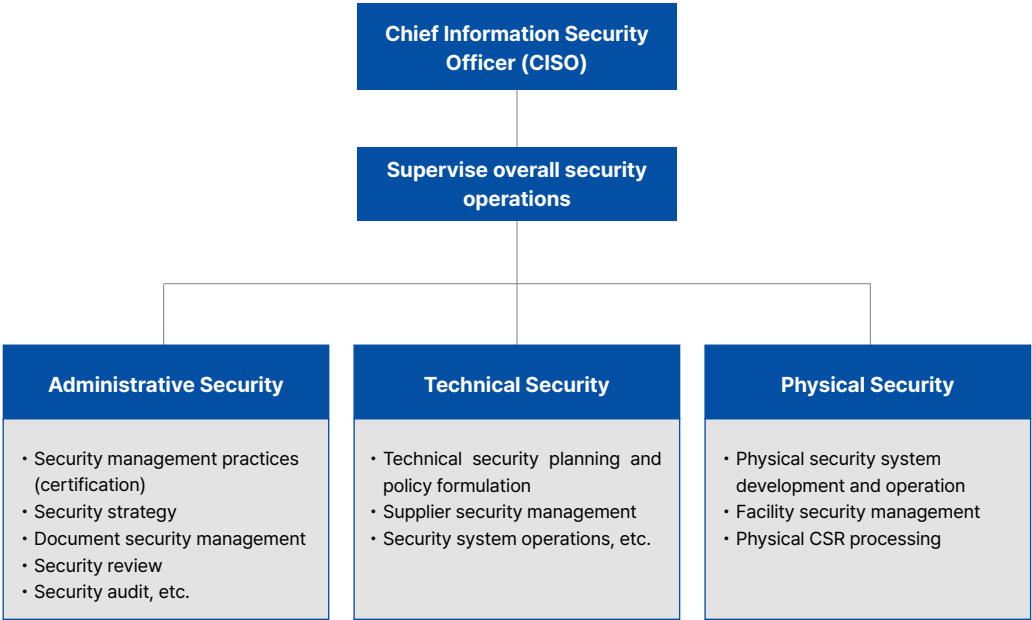
Information Security System

EcoPro Materials has developed a comprehensive information security system that addresses multiple dimensions of information security, including administrative, physical, and technical safeguards, as well as privacy protection. This information security system guides us in specific information security initiatives.

Information Security Policy			
Administrative Security		Technical Security	
1) Information security organization and roles 2) Information security planning 3) Asset management 4) Document management 5) Personnel identification 6) Information security training 7) Security breach control 8) Security checks 9) Security reviews 10) Supplier security		1) Access control 2) System management 3) Communication and security operation management 4) Personal computer equipment management 5) Media security 6) Development security 7) Vulnerability checks 8) Backup management 9) Log control 10) Industrial control system (ICS) security	
Physical Security		Personal Information Protection	
1) Protected area designation and control 2) ID badges 3) Vehicle access control 4) Office security 5) Equipment security 6) Entry and exit security 7) Surveillance		1) Personal information protection management system 2) Safeguards for the collection, use, and provision of personal information 3) Measures to ensure the reliability of personal information	

Information Security Governance

EcoPro Materials has appointed a Chief Information Security Officer (CISO) to lead a dedicated organization for information security. The CISO oversees specialized personnel for administrative security, technical security, physical security and the overall corporate information security system.





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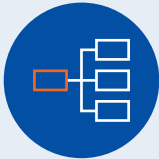
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Information Security

Information Security Activities

EcoPro Materials implements a range of programs aimed at both internalizing security capabilities and strengthening information security. We conduct regular information security education and campaigns to prevent security-related incidents. In 2023, nearly all employees, 554, completed the training. On the technical front, we carry out cyber crisis response drills and IT infrastructure infiltration drills to enhance the effectiveness of our information security activities further.



Management System

- Define security organization, committees, and roles (four areas)
- Create and revise security policy and guidelines (one regulation, five bylaws)
- Online and offline security training and security campaigns



Physical Security

- Designate key protected areas and update instructions
- Security guard operations at the Pohang site and establishment of physical security measures (Parking control system, X-ray, speed-gate CCTVs, etc.)



Technical Security

- IT infrastructure infiltration drills and vulnerability assessment
- Proceed cyber crisis response mock drills
- Establish two security systems (AIP and authorized email)



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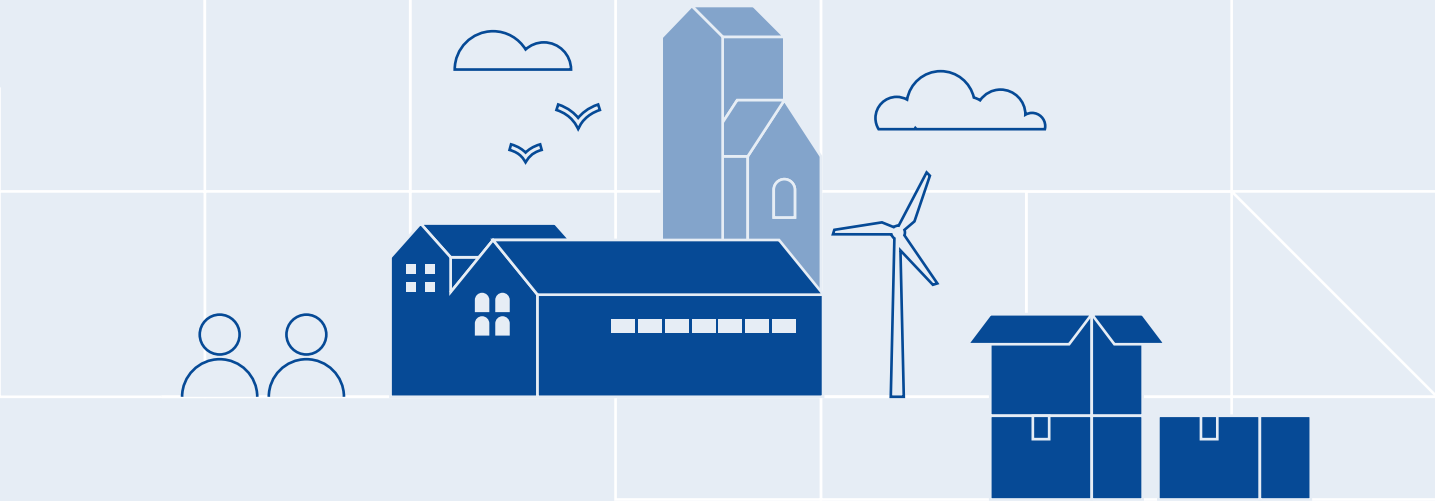
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Background

Today, businesses are expected to go beyond their traditional profit-seeking roles and contribute to a sustainable future. They are called to engage with their communities and actively give back.

Management Approach

The EcoPro holding company leads groupwide social responsibility initiatives, with EcoPro Materials focusing on corporate social responsibility (CSR) activities in Pohang, where it operates. We are committed to these efforts to contribute to making the world a better place.

- CSR Structure
- CSR Activities

Key Performance

CSR in the Community Recognition
Five years in a row (2019–2023)

Onnuri Sports Team: **Won 52 Gold Medals**
at the 43rd National Para Games





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CSR Structure

EcoPro Group prioritizes shared growth with the community. To achieve this, we have outlined four key directions to address environmental and social issues, under which we organize CSR activities in cooperation with our employees and local communities.

CSR Directions

We organize multifaceted CSR activities following the four CSR strategies:

Four Directions for CSR Activities

Responding to climate change

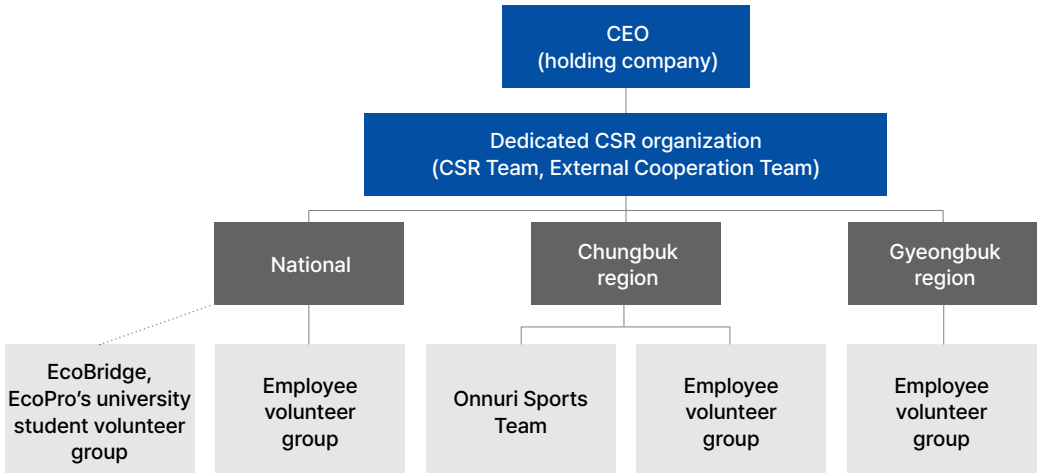
Fostering future talents and helping them realize their dreams

Creating jobs for people with disabilities and supporting their independence

Pursuing shared growth through communication with local communities.

CSR Organization

At EcoPro, the CSR organization is led by the CSR Team, which reports directly to the CEO of the EcoPro holding company, and EcoPro Materials' Public Relations Team. Nationwide EcoPro volunteer groups comprised of university students and employees in Chungbuk and Gyeongbuk join forces to promote CSR activities.



CSR Activities

EcoPro Materials engages in various social contribution activities aimed at helping local communities achieve self-reliance and make the communities better by sharing.

Onnuri Sports Team

We support local para-athletes, helping them train and compete on equal terms. As a team of para-athletes, the Onnuri Sports Team was founded in 2018 and now includes 58 athletes competing in 11 different sports. In 2023, at the 43rd National Para Games, the team achieved remarkable success, winning a total of 52 medals. We will continue to strive to support people with disabilities in competing without experiencing inequalities.



Good-Cycling Campaign

EcoPro Materials employees are encouraged to participate in the Good-Cycling Campaign by donating unused clothing, books, and other items. These items go to the Goodwill Store, a vocational rehabilitation facility for people with disabilities that employs individuals with disabilities to sort, display, and sell the donated goods.



* These CSR activities are carried out by EcoPro Group with the commitment of all the Group companies. For more information, please refer to our CSR Report published in July 2024. <https://ecopro.co.kr/sub030301>



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CSR Activities

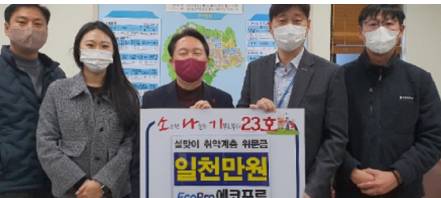
Disaster Relief Project

EcoPro Materials actively engages in disaster relief projects annually to assist local communities affected by various disasters and accidents. In 2023, together with other EcoPro Group companies, we donated KRW 600 million to aid victims of the heavy rains in the Gyeongbuk and Chungbuk regions. We will continue to pay attention to the local community and fulfill our social responsibility



Celebrating Holidays with Low-Income Classes

EcoPro Materials believes that everyone in the community deserves happiness during holidays. Since 2021, the company has provided financial support to low-income households in Pohang (Daesong-myeon, Honghae-eup, and Jangryang-dong) to help them pay for their holiday meals.



Happy Village Project

For balanced community development and quality of life in Pohang, we actively engage in facility improvement and cultural projects in cooperation with other EcoPro Group companies. Initiated in 2021, the Happy Village Project started with mural painting activities and has expanded to include repairing outdated facilities, organizing cultural performances, fitting magnifying glasses for the elderly, and providing meals. To date, we have conducted activities in seven villages in Pohang under this project.



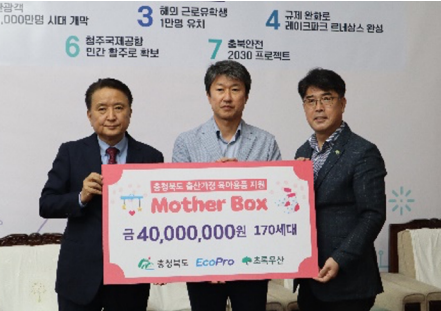
Kimchi Making for Neighbors

Each winter, we share warmth with the local community through our kimchi-making program. In 2023, we prepared and delivered 3,150 heads of kimchi to 1,050 families in need. We plan to continue this kimchi-making program as part of our community engagement



Mother Box Project to Overcome the Declining Birthrate

The Mother Box Project aims to ease the burden of childbirth and childcare on vulnerable households in our community. Packed and delivered by EcoPro Materials employees, the Mother Boxes are signs of our love and blessing for the newborn babies. In 2023, we donated KRW 70 million to 280 households. We will continue our efforts to fight the declining birthrate by supporting the vulnerable households.



Providing Traffic Safety Items

Children’s right to traffic safety is of paramount importance. To this end, we deliver traffic safety umbrellas to elementary schools near our site of operations. These umbrellas serve as a visual reminder for drivers to slow down, helping children walk safely. Looking ahead, EcoPro plans to expand this initiative by providing more umbrellas to additional schools and exploring further measures to enhance traffic safety for children.





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CSR Activities

Food Box of Love

EcoPro Materials delivers food boxes filled with essential ingredients and meals to locals. In 2023, we delivered food boxes to 150 households facing food insecurity.



EV Making Club Support Project

The EV Making Club Support Project aims to support university clubs focused on nurturing students' aspirations in the secondary battery industry. By providing financial donations, the initiative helps students build their own electric vehicles. Selected clubs receive funding to develop their own electric vehicles and have the chance to visit EcoPro's site of operations.

Beat the Heat

Many vulnerable households struggle in summer heat. For those remaining in the blind spot of social welfare, we provide them with essentials to cope with the summer heat. We are committed to supporting the underprivileged and improving their living conditions.

Child Sponsorship

We provide financial assistance to children in underprivileged households for food, snacks, tuition, and other educational expenses. The company's dedication is further demonstrated by its employees who volunteered to make and donate items for them.

Blood Donation

We organize quarterly blood donation campaigns with participation from employees. We are committed to continuing this initiative by encouraging voluntary participation in blood donation campaigns and contributing to help those in medical blind spots.



Local Culture and Arts Sponsorship

We actively participate in and sponsor local cultural events to promote the development of culture and arts in the community. We plan to expand our sponsorship efforts to discover new artistic talents and enhance the cultural and artistic infrastructure of the community.

Year-End Matching Grant

The Year-End Matching Grant Program aims to encourage employees to share what they have with the community. Through this donation initiative, when our employees make donations, we match their contributions, effectively doubling the donation. In 2023, 1,909 EcoPro Group employees participated in this program and donated KRW 157 million to those in need in local communities. We will continue to strive to encourage the culture of sharing.



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Governance



Background

To earn stakeholders’ trust, we must establish a transparent and sound governance system.

It is also necessary to strive to eliminate negative impacts on the company and practice ethics and compliance management in all aspects of our business activities in the pursuit of sustainable growth.

Management Approach

EcoPro Materials has established a robust governance to strengthen stakeholder rights. We also strive to internalize ethics and compliance management.

- Board Composition
- Board Operations
- Transparent Ethics and Compliance Management
- Integrated Risk Management

Key Performance

22 Board Meetings

28.6% Female Directors

All Employees Signed the Compliance Commitment Letter



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Board Composition

EcoPro Materials is dedicated to creating value for its stakeholders through transparent corporate governance. Our Board of Directors prioritizes diversity and expertise, ensuring sound and expert leadership that supports the company's sustainable growth.

Corporate Governance Charter

The Corporate Governance Charter serves as our public commitment to fair and transparent governance. By clearly outlining the rules and responsibilities associated with corporate governance, we strive to enhance shareholder value while fulfilling our social responsibilities to all stakeholders, including employees and suppliers.

The Preamble of the Corporate Governance Charter

At EcoPro Materials, we aspire to become a leading global company by fostering strong relationships with stakeholders who trust us. Our journey toward sustainable growth is guided by our core management philosophy, "We pursue change and innovation to be the best." We provide the following values to our stakeholders:

1. At EcoPro Materials, we are committed to providing customers with meaningful value and ensuring their continued satisfaction to earn their trust. Our ultimate goal is to grow and develop alongside them.

2. We foster a fair and competitive ecosystem with our business partners, leading the way in mutual development by creating a virtuous circle of cooperation. For our shareholders, we strive to increase corporate value through consistent and sustained value delivery. In addition, we actively contribute to society by playing our part in environmental protection, job creation, improving quality of life, and supporting community initiatives, ensuring we grow together with the broader society.

3. We are dedicated to achieving harmony and balance with our stakeholders, considering both present and future well-being for long-term sustainability.

4. Embracing this management philosophy will significantly contribute to the company's enduring growth and development. To this end, we are committed to establishing a robust and transparent governance structure, led by our Board of Directors, and to seeking external recognition of our efforts.

As a formal commitment to sound governance and responsible business management, the Board of Directors has resolved to adopt the EcoPro Materials Corporate Governance Charter.

Kim Byung-hoon, CEO



Board Composition

The Board of Directors of EcoPro Materials is composed of seven directors with two executive directors, one non-executive director, and four independent directors, in compliance with the company's Articles of Association that requires to have at least three independent directors that shall represent a majority of the Board. As the highest decision-making body, the Board of Directors represents the interests of stakeholders and resolves major management issues. The Board of Directors is chaired by the company's CEO, Kim Byung-hoon.

(As of March 31, 2024)

Category	Name	Gender	Career highlights	Tenure
Executive Directors	Kim Byung-hoon	Male	• (Present) CEO, EcoPro Materials • B.A. in Business Administration, Kyungpook National University	~ Jan 2026
	Kang Dong-hyun	Male	• (Present) Managing Director, EcoPro Materials • Ph.D. in Energy Chemistry and Technology, Chungnam National University	~ Mar 2026
Independent Directors	Kim Young-tae	Male	• (Present) Foundation Director, KAIST • Ph.D. in SME Finance, Soongsil University	~ Jan 2026
	Eom Jong-kyu	Male	• (Present) Legal Advisor to Uljin County and Pohang Medical Center • B.A. in Law, Kyungpook National University	~ Jan 2026
	Kim Shin-jong	Male	• (Present) Visiting Professor, Korea University Graduate School of Energy and Environment • Ph.D. in Economics, Seoul National University of Science and Technology	~ Jan 2026
	Park Sun-young	Female	• (Present) Professor, Kyungpook National University Business School • Ph.D. in Accounting, Kyungpook National University	~ Jan 2026
Non-Executive Director	Kim Soon-joo	Female	• (Present) Head of Finance, EcoPro • MBA, Sogang University Business School	~ Jan 2026



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Appointment of Directors

EcoPro Materials actively seeks and selects independent director candidates through diverse channels. For instance, Independent Director Park Sun-Young, appointed at the Extraordinary General Meeting in November 2023, was selected from the independent director pool of the Korea Listed Companies Association. We strictly follow Article 28 of the Articles of Association and relevant legal requirements when considering candidates' qualifications for the independent director. Candidates are required to submit a qualification confirmation and checklist. The Independent Director Nomination Committee then reviews their independence and qualifications. Before the appointment is finalized at the General Meeting of Shareholders, the Board verifies the candidate's history, ensuring no conflicts of interest with the company or the largest shareholders.

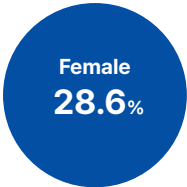


Independence of the Board of Directors

To ensure the independence of its Board of Directors, EcoPro Materials appoints directors and operates the Board according to established regulations and policies. A majority of the Board members are independent directors, who are carefully reviewed by the Independent Director Nomination Committee for their expertise and independence. This ensures their ability to supervise management effectively. Furthermore, the Audit Committee is composed entirely of independent directors, reinforcing the Board's independence and transparency.

Expertise and Diversity of the Board of Directors

To ensure the expertise and diversity of its Board of Directors, EcoPro Materials appoints directors and operates the Board according to established regulations and policies. For expertise, we appoint experts in relevant fields as independent directors in consideration of their experience, professionalism, qualifications, and knowledge. To assess the competencies of our directors systematically, we have implemented a Board Skills Matrix (BSM), which helps ensure that our Board members possess the necessary expertise and enhance diversity. For diversity, we do not discriminate against candidates based on their gender, age, disabilities, or political orientation. In addition, we have established a dedicated team focused on Board operations, tasked with sharing relevant information and assisting independent directors in enhancing their expertise. Looking ahead, we plan to offer professional training and organize forums to strengthen the skills and knowledge of our directors further.



Board Skills Matrix

Board Skill Matrix	Executive Directors		Independent Directors				Non-Executive Director
	Male	Male	Male	Male	Male	Female	Female
Gender							
Board members	Kim Byung-hoon	Kang Dong-hyun	Kim Young-tae	Eom Jong-kyu	Kim Shin-jong	Park Sun-young	Kim Soon-joo
Industry expertise	O	O			O		
Accounting and financial expertise	O					O	O
Global business experience			O		O	O	
Leadership	O	O			O		
Investment and capital market expertise	O		O		O	O	O
Legal and public policy expertise			O	O		O	



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Board Operations

EcoPro Materials ensure the diversity and expertise of its Board of Directors for independent and effective Board operations in discussing and making decisions on major business matters.

Board Operations

The Board of Directors at EcoPro Materials follows a process for convening meetings as outlined in Article 9 of the Board of Directors' Regulations. Directors are notified of the meeting date via written, electronic, or oral communication at least two days in advance, although this can be waived or shortened with the unanimous consent of all directors. Meeting agendas are shared three weeks ahead of time, with reminders sent three days before the meeting to allow ample preparation. According to Article 10, Board resolutions require a quorum with a majority of directors present and a majority vote, unless otherwise provided by law. Directors with special interests in the resolution are not entitled to vote and are not counted in the quorum. In 2023, the Board's average attendance rate was 91%.

2023 Board Meetings and Activities

Meetings held
22 times

Resolutions made
46 times

Reports
10 times

Average attendance rate
91 %

Board Committees

The Board of Directors at EcoPro Materials runs five committees, with the majority of members being independent directors to ensure impartiality. Notably, the Internal Transaction Committee, responsible for overseeing internal transactions and self-dealing, is composed entirely of independent directors, with resolutions requiring unanimous participation and voting for enhanced transparency. In March 2024, the Compensation Committee was established, consisting of two independent directors and one executive director, to focus on director compensation matters, including setting compensation limits for approval at the General Meeting of Shareholders. Decisions made by these committees are reported to the Board of Directors, which may review and resolve on them, except for those handled by the Audit Committee.

Committee	Roles	Members
Internal Transaction Committee	Reinforce independent directors' management monitoring for internal control, review the appropriateness of transactions between affiliated companies, etc.	Kim Shin-jong (chair), Eom Jong-Kyu, Kim Young-Tae
Independent Director Nomination Committee	Verify the independence, expertise, and suitability of independent director candidates and nominate	Kim Young-tae (chair), Park Sun-Young, Kim Byung-hoon
Audit Committee	Review the adequacy of the company's financial statements and the results of operational and compliance audits	Park Sun-young (chair), Eom Jong-Kyu, Kim Shin-Jong
Compensation Committee	Strengthen objectivity and transparency in decisions such as executive compensation and committee chair appointment	Kim Young-tae (chair), Park Sun-Young, Kim Byung-hoon
Compliance Committee	Check and monitor compliance management and compliance with legislation	Eom Jong-kyu (chair), Kim Shin-Jong, Kim Soon-joo

ESG Committee

The EcoPro holding company operates an ESG Committee under its Board of Directors, which includes one executive director and three independent directors. This committee is responsible for discussing and making decisions relating to the ESG management of the Group companies. It plays a crucial role in establishing ESG management strategies and setting mid- to long-term goals and is tasked with tracking the ESG management activities across the Group and examining matters relating to material risks. At EcoPro Materials, the EcoPro ESG Committee deliberates comprehensively and makes decisions on the company's ESG management.



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Transparent Ethics and Compliance Management

EcoPro Materials has implemented a Code of Ethics to ensure that its business operations are conducted fairly and legally. To promote ethical awareness, we offer training and programs that reinforce these values among employees. By fostering a transparent culture of ethical and compliance management, we are committed to upholding ethics and compliance.

Code of Ethics

EcoPro Materials complies with the groupwide Code of Ethics. The Code of Ethics guides all employees in their business conduct and decision-making for transparent and ethical management.

EcoPro Code of Ethics

At EcoPro, along with all EcoPro Group companies, we are committed to creating value for a wide range of stakeholders—including customers, shareholders, employees, suppliers, competitors, the state, and local communities—guided by our management philosophy, “We pursue change and innovation to be the best.” Our ultimate goal is to earn trust and respect from all stakeholders while contributing to the improvement of life for humankind. To achieve this, we emphasize rigorous and sound management practices that build an ethical corporate culture and enhance corporate value through continuous innovation and growth. As a foundation of our commitment, we have established the Code of Ethics, which serves as the guiding principle for all employees' actions and decisions, and we pledge to uphold and practice this Code.

01. We respect our customers and strive to satisfy and impress them.

02. We diligently protect the investment returns of our shareholders through transparent and efficient management.

03. We pursue fair competition and strive to establish a sound trade order.

04. We build mutual trust and pursue mutual development through fair trade with our suppliers.

05. We comply with all laws and ethical principles and fulfill our social responsibilities through environmental protection and social contributions.

06. We will create an organizational culture of mutual trust and respect and maintain the dignity and honor of being a member of EcoPro.

Kim Byung-hoon, CEO

Directions for Ethics Management

At EcoPro Materials, activities to internalize ethical management include requiring employees to sign an ethics pledge, conducting ethical management evaluations, and providing ethical management training. To ensure that ethical management is practiced by all stakeholders, we require our suppliers to be in full compliance with ethics and fair trade regulations.

Code of Ethics

Attitudes and practicing norms for employees

Detailed Rules of Code of Ethics

Guidelines with specific procedures for implementing the Code of Ethics

Whistleblowing Channels and Whistleblower Protection

Rules for whistleblowing and whistleblower protection to establish an ethical organizational culture

Disciplinary Policy

Rules to maintain order in the workplace by sanctioning misconduct

Ethics and Compliance Management Training

We conduct ethics and compliance management training focusing on the theory of ethical management and prevention of unfair stock trading under the Capital Market Act. To date, 558 employees have completed the training. In doing so, we use actual case studies to help them better understand the issues, and we are also fully committed to ethical management practices.



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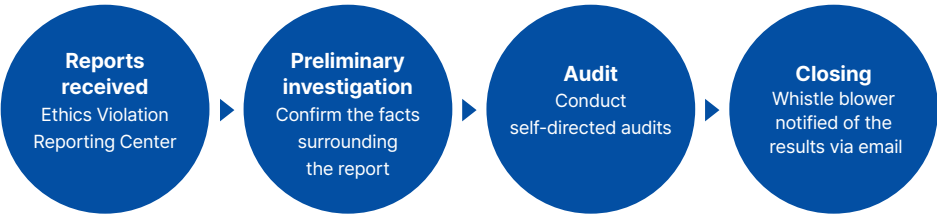
Ethics and Compliance Management Practice

EcoPro Materials actively participates in EcoPro Group's initiative to collect compliance pledges from its employees. In 2023, all 541 employees involved in the program signed the compliance commitment letter, demonstrating their commitment to ethical conduct. The company also fosters a workplace environment where ethics are practiced daily. To ensure ethical behavior further, EcoPro Materials employs the K-ITAS, an insider trading alert system designed to prevent unfair trading by employees of listed companies.

Ethics Violation Reporting Center

At EcoPro Materials, the Ethics Violation Reporting Center plays a vital role in promoting transparent and ethical management. The center is equipped with procedures to prevent and monitor misconduct such as unfair demands, irregularities, and discrimination by employees. The reporting system is designed with structured processes to ensure all reports are handled efficiently, while maintaining strict confidentiality regarding both the reports and the identities of whistleblowers.

Report Handling Process



Reports Received and Processed in 2023

2021	2022	2023
1	1	2

(Unit: cases)

Ethical Management Self-Assessment

The Ethical Management Self-Assessment at EcoPro Materials is designed to evaluate the organization's commitment to ethical management and its influence on stakeholders. This assessment allows us to gain insights into our ethical management practices and make improvements accordingly.

Self-Assessment Items



Commitment to ethical management and strategy



Ethics norms and guidelines



Ethical management organization and systems



Ethical management practices and internal and external communication

Identifying Risks for Unfair Trade

EcoPro Materials encourages its suppliers to practice ethical management and adopt fair trade practices. Each year, the company sends a letter to suppliers to provide information on reporting channels for any unfair trade activities. We also ask suppliers to sign the integrity pledge as part of the contracting process to prevent unfair trade practices.





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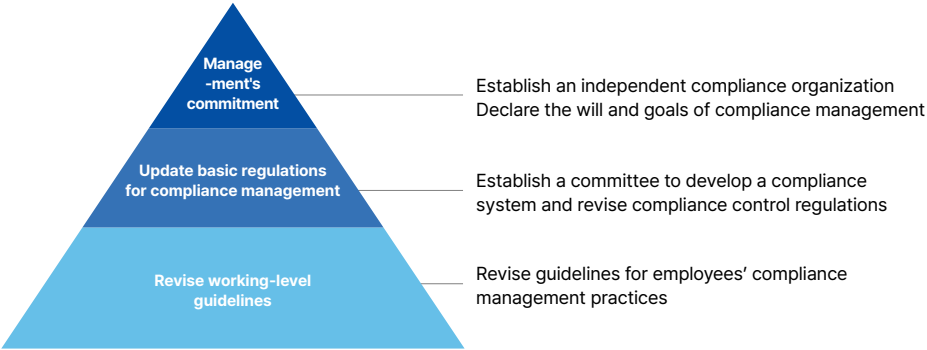
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Transparent Ethics and Compliance Management

Compliance Management System

EcoPro Materials has upgraded its compliance management system. The Compliance Committee under the Board of Directors and the compliance organization of the EcoPro holding company play leading roles in establishing compliance rules, policies, and guidelines.

Compliance Management Structure



Self-Inspection System

EcoPro Materials strives to ensure that all teams work in full compliance with laws and regulations. To this end, we have developed five business manuals to inform employees of the latest regulations. We also employ self-inspections to prevent compliance issues.

5 Business Manuals

Personal Information

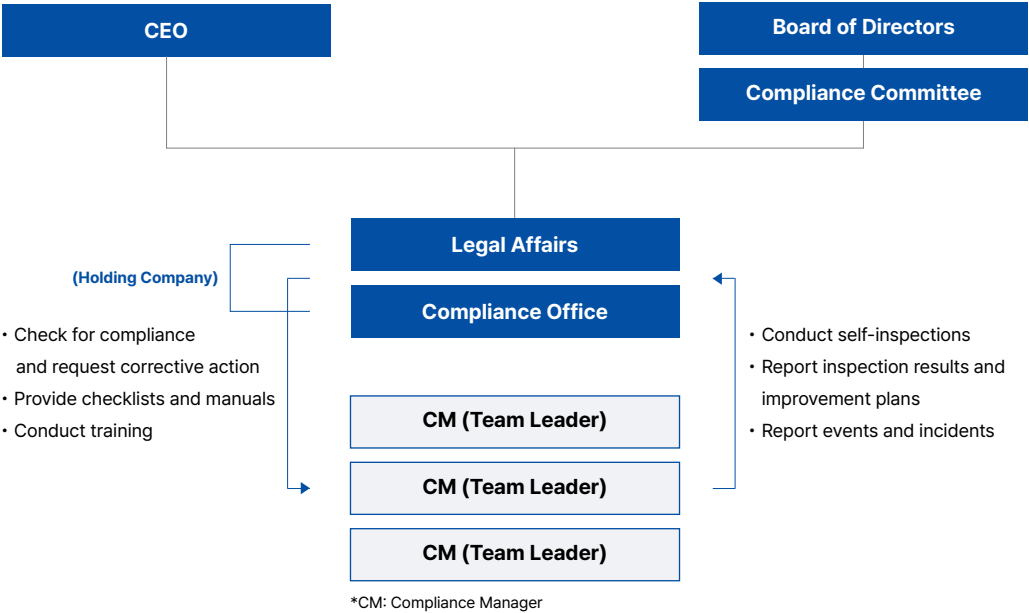
Intellectual Property

Fair Trade

Environment and Safety

Human Resources Employee Relations

Compliance Management Governance



Employees' Compliance Awareness Enhancement

EcoPro Materials has implemented a structured compliance management system, which includes regular compliance training for all employees to mitigate the risk of legal violations proactively. By conducting continuous annual training, the company is committed to raising employees' awareness of compliance.



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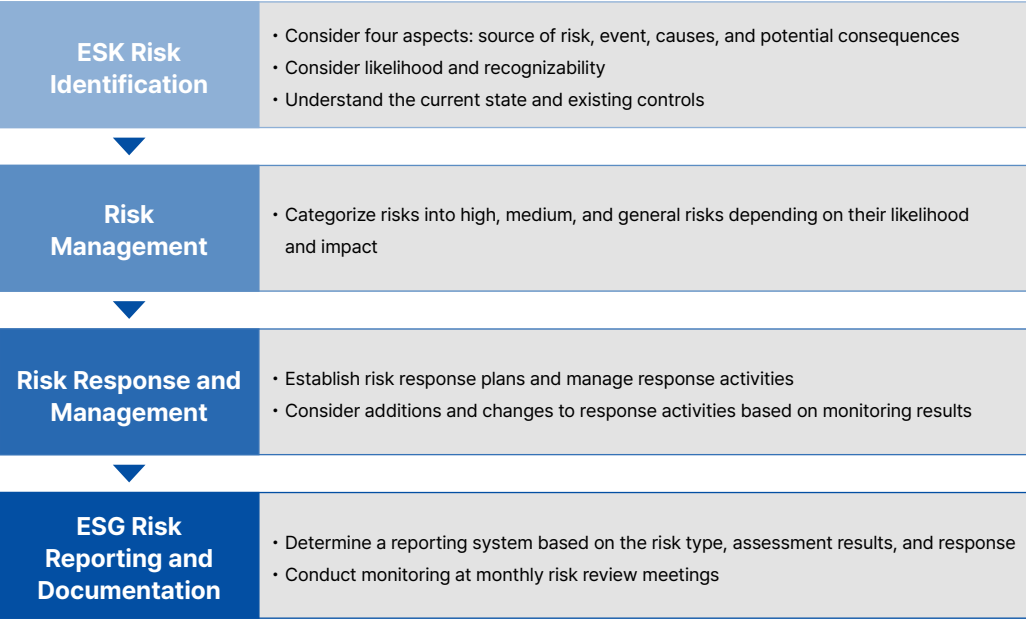
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Integrated Risk Management

EcoPro Materials has established an ESG risk management system to identify, analyze, and manage risks that may affect the company's business environment in economic, environmental, and social aspects. We define area-specific financial and non-financial risks that may arise and develop countermeasures and reporting systems through evaluation and impact analysis. In addition, we actively collect external expert opinions to make decisions so that we can conduct business in a more professional and responsible manner.

Risk Management System

EcoPro Materials, in cooperation with other EcoPro Group companies, identifies the impact of risks on our business and establishes and manages strategies for improvement and response. In 2024, we plan to launch the Risk Management Committee to upgrade our risk management system further. We are also reviewing our risk management system and framework to raise the level of integrated risk management.



Risk Review Meetings

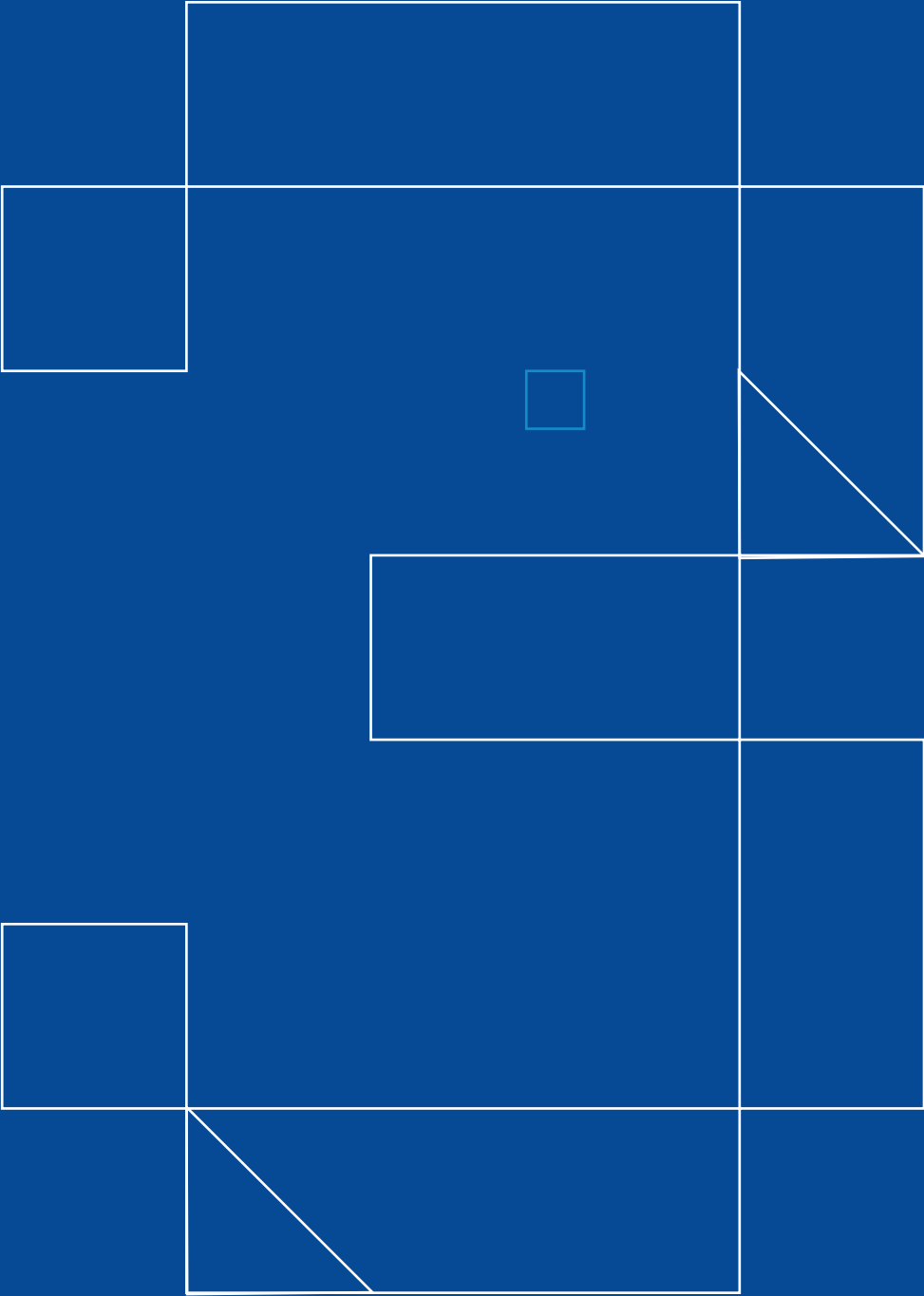
We hold monthly risk review meetings to share issues on financial risks and non-financial risks relating to ESG, and establish countermeasures. We strive to manage uncertainties effectively by monitoring risks that may arise in the mid- to long-term. We also enhance transparency by reporting and sharing issues on risk management with executives.

Response to Risks

Category	Demand	Response
Climate change response	<ul style="list-style-type: none">Global GHG reductionBattery passport and other international regulationsRenewable energy	<ul style="list-style-type: none">Develop carbon-neutrality strategiesEstimate Scope 3 emissions and conduct LCASimulate financial impact of RE scenarios
Global standards application	<ul style="list-style-type: none">International clients and global rating agencies calling for compliance with global standards and disclosure of policies, etc.	<ul style="list-style-type: none">Create and publish policies that align with global standardsIdentify short- and long-term tasks for internalization and establish action plans

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Financial Statements

Financial Statements		Unit	2021	2022	2023
Assets	Current assets	KRW	130,243,037,364	265,125,163,060	576,305,363,672
	Fixed assets		242,340,863,551	369,787,982,129	527,929,842,125
	Total assets		372,583,900,915	634,913,145,189	1,104,235,205,797
Liabilities	Current liabilities		158,726,086,279	249,084,998,903	267,426,437,386
	Fixed liabilities		145,557,194,706	71,527,564,995	37,711,372,216
	Total liabilities		304,283,280,985	320,612,563,898	305,137,809,602
Equity	Capital stock		19,515,481,500	28,951,079,000	35,120,609,000
	Capital surplus		56,336,894,819	276,448,398,995	688,550,326,948
	Capital adjustment		764,476,901	1,464,434,959	64,312,890,418
	Accumulated other comprehensive income		0	0	0
	Retained earnings		(8,316,233,290)	7,436,668,337	11,113,569,829
	Non-controlling interest		0	0	0
	Total equity		68,300,619,930	314,300,581,291	799,097,396,195

Statement of Comprehensive Income

Statement of Comprehensive Income	Unit	2021	2022	2023
Sales	KRW	342,888,306,397	665,248,278,975	952,523,315,840
Cost of sales		316,519,983,734	609,978,608,371	917,069,930,945
Gross profit margin		26,368,322,663	55,269,670,604	35,453,384,895
Operating profit		16,252,651,418	38,988,203,638	8,772,772,409
Net income before tax expenses		(22,860,062,845)	12,675,595,931	(3,247,550,323)
Net profit		(22,979,543,277)	15,582,712,507	5,045,159,766
Other comprehensive income		(199,977,031)	170,189,120	(1,368,258,274)
Total comprehensive income		(23,179,520,308)	15,752,901,627	3,676,901,492



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Environmental Performance

Category	Index		Unit	2021	2022	2023
Energy	Energy consumption (power)	Non-renewable energy	MWh	36,372	56,739	81,199
		Renewable energy (via KEPCO)		0	0	0
		Renewable energy (own facilities)		0	0	0
		Total		36,372	56,739	81,199
	Energy consumption (natural gas)	Non-renewable energy	Thousand Nm³	5,888	9,065	14,000
		Renewable energy		0	0	0
		Total		5,888	9,065	14,000
	By energy source	Power	TJ	349.17	544.70	779.51
		Fuel		253.94	390.96	603.86
		Steam		0	0	0
		Others		0	0	0
		Total energy consumption		603.11	935.66	1,383.37
	Energy intensity	Energy consumption per sales	TJ/KRW hundred million	0.18	0.14	0.15
Water resources	Water consumption	Non-renewable water	Tons (=m³)	677,424	1,444,769	2,275,708
		Renewable water (gray water)		0	150,778	280,249
		Renewable water (wastewater treatment reuse facilities)		0	0	0
		Total		677,424	1,595,547	2,555,957
	By water source	Third-party water supply (general/industry waterworks etc.)	Tons (=m³)	677,424	1,444,769	2,275,708
		Groundwater		0	0	0
		Seawater		0	0	0
		Surface water		0	0	0
Greenhouse gas	Greenhouse gas emissions	Scope 1 (direct)	tCO₂eq	12,873	19,818	30,611
		Scope 2 (indirect)		16,709	26,066	37,303
		S1+S2 Total		29,582	45,884	67,914
	Greenhouse gas emission intensity	GHG emissions per sales	tCO₂eq/ KRW hundred million	8.63	6.90	7.13



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Environmental Performance

Category	Index	Unit	2021	2022	2023
Greenhouse gas	CATEGORY 1 (purchased goods and services)	tCO ₂ eq	-	-	671,016
	CATEGORY 2 (capital goods)		-	-	67,832
	CATEGORY 3 (fuel- and energy-related activities)		-	-	5,972
	CATEGORY 4 (upstream transportation and distribution)		-	-	33,959
	CATEGORY 5 (waste generated in operations)		-	-	114
	CATEGORY 6 (business travel)		-	-	69
	CATEGORY 7 (employee commuting)		-	-	505
	CATEGORY 8 (upstream leased assets)		-	-	-
	CATEGORY 9 (downstream transportation and distribution)		-	-	1,599
	CATEGORY 10 (processing of sold products)		-	-	140,815
	CATEGORY 11 (use of sold products)		-	-	-
	CATEGORY 12 (end-of-life treatment of sold products)		-	-	-
	CATEGORY 13 (downstream leased assets)		-	-	-
	CATEGORY 14 (franchises)		-	-	-
	CATEGORY 15 (investments)		-	-	-
	Total		-	-	921,881
Air pollution	NOx emissions (nitrogen oxides)	Tons	3.7	6.7	12.0
	SOx emissions (sulfur oxides)		1.5	3.5	3.0
	PM emissions (particulate matter)		1.0	1.6	2.0
	Others		0	0	0
	Nickel		0.03	0.06	0.10
	Ammonia		0.8	4.1	1.0
Water pollution	TOC	kg	0	5,058 ¹⁾	16,841
	COD		5,481	18,458	0
	SS		1,130	3,803	3,837
	T-N		2,745	8,612	9,203
	T-P		157	455	869
	n-H		0	0	0

1) Due to changes in water pollution measurement indicators, monitoring has shifted from COD to TOC. In February 2022, TOC measuring equipment (TMS) was installed



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Category	Index		Unit	2021	2022	2023
Other pollution	VOC emissions		Tons	0	0	0
Harmful chemicals	Use of harmful chemicals		Tons	131,055	181,558	332,466
Waste	Waste generation	General waste	Tons	965	1,841	2,510
		Designated waste		444	2,444	3,461
		Total		1,408	4,285	5,971
	Waste treatment	Incineration	Tons	5	8	4
		Landfill		235	120	203
		Neutralization		0	0	0
		Recycling		1,168	4,157	5,764
Green products/services	Green business sales ¹⁾		KRW hundred million	3,429	6,652	9,525
Environmental training	Total training hours ²⁾		Hours	3,254	2,682	6,332
	Total number of people trained ³⁾		People	283	746	984
Environmental violations	Violations of environmental laws and regulations	Monetary penalty ⁴⁾	Cases	0	0	0
		Non-monetary penalty		0	0	0
		Fines and administrative fines	KRW million	0	0	0
EHS	EHS investments		KRW million	346	2,803	649

1) We are an eco-friendly business given the nature of secondary battery materials; hence, 100% of our sales counted toward eco-friendly business sales

2) Statutory training (area-specific statutory training for environmental engineers, statutory training for technicians, managers, inspectors handling chemicals, etc.)

3) Redundant counting allowed for the total number of people trained

4) Fines or stricter penalties (excluding administrative fines)



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Safety Performance

Category	Index	Unit	2021	2022	2023
Safety management (employees)	Fatalities	People	0	0	0
	Injuries (serious)	People	0	0	0
	Injuries (minor)	People	1	1	1
	Injury rate	(%, number of injuries/number of employees * 100)	0.40	0.22	0.18
	Major workplace incidents	Fall	Entrapment		Cut
Safety management (in-house)	Lost Time Injury Frequency Rate (LTIFR)	(Total injuries) * (million hours / total work hours ¹⁾)	1.65	0.9	0.74
	In-house supplier hazard rate ²⁾	%	0	0	0
Safety training	Total hours trained	Hours	7,767	12,931	18,482
	Total number of people trained	People	3,464	4,341	6,995
Safety violations	Violations of safety laws and regulations	Monetary penalties ³⁾	Cases	0	0
		Non-monetary penalties	Cases	0	0
	Fines		KRW million	0	0

- 1) All EcoPro Group companies apply the Ministry of Labor's 2,400-hour standard multiplied by the number of employees at the end of the year
- 2) Incidents involving in-house suppliers/total number of in-house supplier employees registered for the year
- 3) Fines or stricter penalties (excluding administrative fines)



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Social (Employee) Performance

Category	Index		Unit	2021	2022	2023
Workforce	By gender	Male, domestic (executive + regular full time)	People	230	437	525
		Female, domestic (executive + regular full time)		13	22	29
		Fixed term (including contract based)		9	5	15
		Total		252	464	569
	By position	Male managers	People	11	69	91
		Female managers		0	1	2
		Total		11	70	93
		Percentage of female managers or higher positions out of all managers		0.0	1.4	2.2
	Diversity	People with disabilities	People	4	5	10
		Foreign nationals		0	0	0
		Veterans		1	1	1
		Average length of service (number of employees at current year end)	Years	2.8	2.7	2.9
Changes in employment	Job creation and turnover	New hires	People	414	283	163
		New hires – female		13	27	23
		New hires – people with disabilities		1	1	5
		New hires – veterans		0	0	0
		Turnover (voluntary + dehiring)		15	33	53
		Turnover (end of contract)		10	6	5
		Turnover (dehiring)		0	0	0
		Dismissal		0	0	0
		Average length of service (number of employees at current year end)	Years	2.8	2.7	2.9
		Total benefits cost	KRW thousand	1,789,900	3,506,475	5,240,691
Work-life balance	Benefits cost per employee		KRW thousand/person	7,103	7,557	9,210
		Employees on parental leave	People	0	0	1
	Employees on parental leave and returns	Employees returned	People	0	0	1
		Percentage of employees who have worked for 12 months or longer after returning from parental leave	%	-	-	-



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Category	Index		Unit	2021	2022	2023
Employee education and training ¹⁾	Total education and training (including statutory)	Total education and training	Hours	2,211	4,186	7,280
		Employee participation	People	73	120	210
		Compulsory training		47	91	118
		Total employee training cost	KRW thousand	37,991	97,091	691,530
		Training cost per employee	KRW thousand/person	151	209	1,215
	Sexual harassment prevention	Total hours trained	Hours	39	92	141
		Total number of people trained	People	39	92	141
	Workplace bullying prevention ²⁾	Total hours trained	Hours	-	-	141
		Total number of people trained	People	-	-	141
	Disability awareness	Total hours trained	Hours	244	433	547
		Total number of people trained	People	244	433	547
	Grievance/whistleblowing	Ethical management violations ³⁾	Cases	1	1	2
		Average processing time		1.0	-	2.5

1) ESG training for all employees introduced in 2024

2) Workplace bullying prevention training introduced in 2023

3) Sexual harassment and bullying in workplace/leakage of non-public information/embezzlement, bribery/internal accounting fraud/grievances relating to discrimination, unfair conduct, supply chain policy, due diligence system/other unethical or illegal conduct, etc



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Social (Employee) Performance

Category	Index	Unit	2021	2022	2023
Shared growth	Total suppliers	Companies	96	205	241
	Core suppliers		51	76	104
	Total purchases from suppliers	KRW million	361,681	769,621	847,602
	Purchases from core suppliers		349,792	729,681	834,596
Responsible minerals (groupwide management)	Responsible minerals suppliers	Companies	0	49	52
	High-risk suppliers		0	3	4
	Low-risk suppliers		0	14	48
CSR	Social responsibility (cash donations)	KRW	106,503,740	511,117,470	50,492,970
	In-kind donations	Cases	-	90	183
	Talent donation and pro bono activities	People	23	153	255
	Privacy protection (total hours trained) ¹⁾	Hours	- ⁴⁾	0	0
Information security	Privacy protection (total number of people trained)	People	- ⁴⁾	0	0
	Information security (total hours training) ²⁾	Hours	- ⁴⁾	302	554
	Information security (total number of people trained)	People	- ⁴⁾	302	554
Ethics and human rights training ³⁾	*Total hours trained	Hours	240	359	558
	**Total number of people trained	People	240	359	558

- 1) Privacy training is for data controllers; conducted for EcoPro Holding Company and EcoPro BM only
- 2) Information security/privacy training have been separated since 2023
- 3) Training on the prevention of unfair stock trading under the Capital Market Act was introduced in 2023
- 4) Data not managed



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Governance

Category	Index	Unit	2021	2022	2023
Board operations ¹⁾	Meetings held	Times	17	20	22
	Resolutions	Cases	30	35	46
	Reports		0	1	11
Board composition	Executive directors		3	3	2
	Independent directors	People	0	0	4
	Auditors/Audit Committee		1	1	3
Board compensation ²⁾	Executive directors (excluding independent directors and Audit Committee members)		447	527	673
	Independent directors (excluding Audit Committee members)	KRW million	0	0	53
	Audit Committee members ³⁾		-	-	115 ³⁾

1) The EcoPro holding company notifies the Board of Directors of the agenda items three weeks prior to the convening of the Board of Directors and reminds them three days in advance to consider each agenda item before proceeding with the Board resolution

2) Total compensation amount

3) Audit Committee established in January 2023

Distribution of Economic Value

Category	Index	Unit	2021	2022	2023
Distribution of economic value	Corporate tax		119,480,432	(2,907,116,576)	(8,292,710,089)
	Shareholder dividend		0	0	0
	Donations	KRW	106,503,740	511,117,470	50,492,970
	Employee labor cost	Wage ¹⁾	1,396,397,320	2,159,450,394	5,320,124,726
		Retirement benefits	666,731,891	855,070,932	585,408,201

1) Including bonuses



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Statement of use		EcoPro Materials has reported in accordance with the GRI Standards for the period[business activities from January 1, 2023 to the publication of this report in 2024]		
GRI 1 used GRI 1		Foundation 2021		
Applicable GRI Sector Standard (s)		N/A		

Topic	GRI Disclosure		Page	Remarks
GRI 2: The organization and its reporting practices	2-1	Organizational details	2	
	2-2	Entities included in the organization's sustainability reporting	2	
	2-3	Reporting period, frequency, and contact point	2	
	2-4	Restatements of information	-	First report
	2-5	External assurance	81	
GRI 2: Activities and workers	2-6	Activities, value chain, and other business relationships	8, 11-13	
	2-7	Employees	71	
	2-8	Workers who are not employees	-	Subject to groupwide management; as of the end of June 2023, 106 people have been stationed at Pohang Campus 1, 81 at Pohang Campus 2, and 158 at Pohang Campus 3 who are employees of in-house contractors.
	2-9	Governance structure and composition	58	
	2-10	Nomination and selection of the highest governance body	59	
GRI 2: Governance	2-11	Chair of the highest governance body	58	
	2-12	Role of the highest governance body in overseeing the management of impacts	58-60	For more information, including our sustainability reporting agenda, please refer to our Business Report.
	2-13	Delegation of responsibility for managing impacts	14	
	2-14	Role of the highest governance body in sustainability reporting	14, 58-60	
	2-15	Conflicts of interest	-	Omission (confidentiality constraints) We prevent conflicts of interest among directors in accordance with the Board of Directors' Regulations. Any conflicts of interest among directors are disclosed to stakeholders in business reports.
	2-16	Communication of critical concerns	60	
	2-17	Collective knowledge of the highest governance body	59	Omission (confidentiality constraints) We pay equal wages.
	2-18	Evaluation of the performance of the highest governance body	-	
	2-19	Remuneration policies	Business report 148-149	
	2-20	Process to determine remuneration	Business report 148-149	Omission (confidentiality constraints) We do not disclose our compensation ratios for confidentiality reasons.
GRI 2: Strategy, policies, and practices	2-21	Annual total compensation ratio	-	
	2-22	Statement on sustainable development strategy	4-5	
	2-23	Policy commitments	14, 25, 35, 46, 48, 58, 61	
	2-24	Embedding policy commitments	14, 25, 35, 46, 48, 58, 61	
	2-25	Processes to remediate negative impacts	36	
	2-26	Mechanisms for seeking advice and raising concerns	36	
	2-27	Compliance with laws and regulations	Business report 162-163	
	2-28	Membership associations	84	
GRI 2: Stakeholder engagement	2-29	Approach to stakeholder engagement	16	
	2-30	Collective bargaining agreements	41	



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Topic	GRI Disclosure		Page	Remarks
GRI 3: Material Topics 2021				
GRI 3: Disclosures on material topics	3-1	Process to determine material topics	17	
	3-2	List of material topics	18	
ESG risk management				
GRI 3: Material Topics 2021	3-3	Management of material topics	64	
Investments in Future Growth				
GRI 3: Material Topics 2021	3-3	Management of material topics	13	
Ethics and Anti-Corruption Activities				
GRI 3: Material Topics 2021	3-3	Management of material topics	61-63	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	-	We meet statutory requirements; we plan to further advance our efforts in this regard, which will be disclosed in the future.
	205-2	Communication and training about anti-corruption policies and procedures	61-62	
	205-3	Confirmed incidents of corruption and actions taken	62, 72	
Own index	-	Ethics and compliance management practice	62	
Climate Change Response				
GRI 3: Material Topics 2021	3-3	Management of material topics	21-23	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	21	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	67	
	305-2	Energy indirect (Scope 2) GHG emissions	67	
	305-3	Other indirect (Scope 3) GHG emissions	68	EcoPro Group has estimated and verified its Scope 3 GHG emissions from 2023.
	305-4	GHG emissions intensity	68	
	305-5	Reduction of GHG emissions	68	
	305-6	Emissions of ozone-depleting substances (ODS)	-	We use no ozone depleting substances (ODS).
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	68	
Environmental and Safety Responsibility for Chemicals				
GRI 3: Material Topics 2021	3-3	Management of material topics	32	
Own index		Use of harmful chemicals	69	
Energy Saving and Use of Renewable Energy				
GRI 3: Material Topics 2021	3-3	Management of material topics	21-23	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	67	
	302-2	Energy consumption outside of the organization	67	
	302-3	Energy intensity	67	
	302-4	Reduction of energy consumption	67	
	302-5	Reductions in energy requirements of products and services	-	Sensitive information; not to be disclosed.



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Topic	GRI Disclosure		Page	Remarks
Work Environment Improvement for Work-Life Balance				
GRI 3: Material Topics 2021	3-3	Management of material topics	40-41	
	401-1	New employee hires and employee turnover	-	Sensitive information; not to be disclosed.
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	71	EcoPro Group offers the same benefits to all employees.
	401-3	Parental leave	71	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A	No relevant business premises or suppliers.
Workplace Safety and Health Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	25-26, 31-33	
	403-1	Occupational health and safety management system	25-26	
	403-2	Hazard identification, risk assessment, and incident investigation	32	
	403-3	Occupational health services	32	
	403-4	Worker participation, consultation, and communication on occupational health and safety	26	
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	31-33	
	403-6	Promotion of worker health	31-32	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	No disclosures made due to low impact; we plan to disclose relevant data in the future
	403-8	Workers covered by an occupational health and safety management system	70	
	403-9	Work-related injuries	70	
	403-10	Work-related illness	70	
Anti-Child/Forced Labor				
GRI 3: Material Topics 2021	3-3	Management of material topics	43-45	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	N/A	No relevant business premises or suppliers
GRI 409: Forced Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A	No relevant business premises or suppliers
Efforts for Customer Satisfaction				
GRI 3: Material Topics 2021	3-3	Management of material topics	48-50	
Expansion of legal and compliance management				
GRI 3: Material Topics 2021	3-3	Management of material topics	61-63	
GRI 206 : Anti-Competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practice	N/A	No anti-competitive or anti-trust violations during the reporting period
Social Contribution Activities				
GRI 3: Material Topics 2021	3-3	Management of material topics	54-56	For more details about our CSR activities, please refer to the EcoPro CSR Report.

Non-Material Issue

Topic	GRI Disclosure		Page	Remarks
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed (EVG&D)	-	Sensitive information; not to be disclosed.
	201-3	Defined benefit plan obligations and other retirement plans	-	More details can be found from “18. Retirement benefit obligations” in the business report.
	201-4	Financial assistance received from government	-	Sensitive information; not to be disclosed.



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UN SDGs

UN SDGs Commitment

SDGs and Directions			Key Activities
 1	Resilience and better conditions for vulnerable populations	End poverty in all its forms everywhere	<ul style="list-style-type: none">• Support communities/vulnerable populations
 3	Healthy and happy lives	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none">• Programs to promote employee health• Workplace safety cross-inspections• Employee welfare programs• Cooperation with suppliers for health and safety
 4	Quality education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none">• Talent development programs• Community programs to foster future talents
 5	Gender equality	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none">• Childbirth and childcare programs• Family-friendly management certification
 6	Healthy and safe water management	Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none">• Water stress management• Water pollution management
 7	Environmentally friendly production and consumption of energy	Ensure access to affordable, reliable, sustainable, and modern energy for all	<ul style="list-style-type: none">• Measures to adopt more renewable energy
 8	Decent jobs and economic growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all	<ul style="list-style-type: none">• Creating jobs for the vulnerable (people with disabilities)• Share growth programs
 10	Eliminate inequality of all kinds	Reduce inequality within and among countries including age, gender, disability, and religion	<ul style="list-style-type: none">• Onnuri Sports Team operations and support• Human rights management policy
 11	Sustainable cities and communities	Make cities and human settlements inclusive, safe, resilient, and sustainable	<ul style="list-style-type: none">• Community environmental improvement activities
 12	Sustainable production and consumption	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none">• Waste recycling
 13	Climate change response	Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy	<ul style="list-style-type: none">• Establishing GHG emission reduction targets and detailed measures• Establishing Scope 3 emissions estimation criteria• Establishing GHG reduction measures across the minerals supply chain
 15	Life on land	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none">• Wildlife monitoring for biodiversity conservation
 16	Embrace peace and justice	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels	<ul style="list-style-type: none">• Establishing a human rights management system based on the human rights management policy• Corporate Governance Charter to establish a sound governance
 17	Strengthen partnerships and collaboration	Strengthen the means of implementation and revitalize the global partnership for sustainable development	<ul style="list-style-type: none">• Responsible Minerals Report for responsible supply chain management• Supplier Code of Conduct for sustainable management



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Sustainability Disclosure Topics & Metrics

TOPIC	CODE	CATEGORY	METRIC	UNIT OF MEASURE	page
Table 1. Sustainability Disclosure Topics & Metrics					
Energy Management	RR-EE-130a.1	Quantitative	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Gigajoules (GJ)	67
Hazardous Waste Management	RT-EE-150a.1	Quantitative	(1) Amount of hazardous waste generated, (2) percentage recycled	Percentage (%)	69
	RT-EE-150a.2	Quantitative	(1) Number and aggregate quantity of reportable spills, (2) quantity recovered	Metric tonnes (t), Percentage (%)	N/A
Product Safety	RT-EE-250a.1	Quantitative	(1) Number of recalls issued, (2) total units recalled	Number	N/A
	RT-EE-250a.2	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with product safety	Presentation currency	-
Product Lifecycle Management	RT-EE-410a.1	Quantitative	Percentage of products by revenue that contain IEC 62474 declarable substances	Percentage (%) by revenue	-
	RT-EE-410a.2	Quantitative	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Percentage (%) by revenue	-
	RT-EE-410a.3	Quantitative	Revenue from renewable energy-related and energy efficiency-related products	Presentation currency	-
Materials Sourcing	RT-EE-440a.1	Discussion and Analysis	Description of the management of risks associated with the use of critical materials	n/a	43-45
Business Ethics	RT-EE-510a.1	Discussion and Analysis	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behaviour	n/a	61-63
	RT-EE-510a.2	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Presentation currency	N/A
	RT-EE-510a.3	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	Presentation currency	N/A
Table 2. Activity Metrics					
Number of units produced by product category	RT-EE-000.A	Quantitative		Number	-
Number of employees	RT-EE-000.B	Quantitative		Number	71



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TCFD

TCFD (Task Force on Climate-Related Financial Disclosures)

Category	TCFD Recommendations	page
[Governance] Disclose the organization's governance around climate- related risks and opportunities	A. Describe the board's oversight of climate-related risks and opportunities	21
	B. Describe management's role in assessing and managing climate-related risks and opportunities	
[Stragtegy] Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	21
	B. Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy, and financial planning	
	C. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
[Risk Management] Disclose how the organization identifies, assesses, and manages climate-related risks	A. Describe the organization's processes for identifying and assessing climate-related risks	21-23
	B. Describe the organization's processes for managing climate-related risks	
	C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	
[Metrics & Targets] Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	A. Disclose the metrics used by the organization to assess climate- related risks and opportunities in line with its strategy and risk management process	22-23
	B. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	
	C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	



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Independent Assurance Report on the Identified Sustainability Information in ECOPRO MATERIALS Co., Ltd. Sustainability Report

(English Translation of a Report Originally Issued in Korea)



To the Management of ECOPRO MATERIALS Co., Ltd.

We have undertaken a limited assurance engagement in respect of the selected sustainability information (the Sustainability in the ECOPRO MATERIALS Co., Ltd. 's 2023 Sustainability Report for the year ended 31 December 2023 ('Sustainability Report' or the Report) listed below.

Identified Sustainability Information

The Identified Sustainability Information included in the ECOPRO MATERIALS Co., Ltd. 's Report for the year ended 31 December 2023 is summarized below:

- 'Global Reporting Initiative (GRI) Standards Index' stated on pages 75~77
- 'ESG DATA' within the 'Appendix' heading on pages 67~74
- 'Sustainability Accounting Standards Board (SASB) Index' stated on pages 79

Our assurance was with respect to the year ended 31 December 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by ECOPRO MATERIALS Co., Ltd. to prepare the Identified Sustainability Information are 'GRI Standards 2021' and 'SASB (Fuel Cells & Industrial Batteries Standard)' (the 'Criteria').

ECOPRO MATERIALS Co., Ltd.'s Responsibility for the Identified Sustainability Information

ECOPRO MATERIALS Co., Ltd. is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Inherent Limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Our Independence and Quality Control

We have complied with the ethical requirements of the Republic of Korea,

which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies International Standards on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of ECOPRO MATERIALS Co., Ltd.'s use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, review of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interview with the personnel responsible for internal reporting and data collection regarding ECOPRO MATERIALS Co., Ltd. s Identified Sustainability Information to understand their approaches to manage material issues
- Understand the systems and processes in place for managing and re-

porting the Identified Sustainability Information

- Review documents relevant to the risk assessment process, sustainability-related policies and standards, materiality assessment, engagement activities of the stakeholders and others
- Perform inquiries and analytical reviews on the Identified Sustainability Information

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether ECOPRO MATERIALS Co., Ltd.'s Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that ECOPRO MATERIALS Co., Ltd.'s Identified Sustainability Information the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the Criteria.

Restricted Use

This Report is prepared solely for management of ECOPRO MATERIALS Co., Ltd. to assist in obtaining understanding of ECOPRO MATERIALS Co., Ltd.'s sustainable management performance and activities. Accordingly, we accept no liability or responsibility to any third party, other than ECOPRO MATERIALS Co., Ltd. and its management, who gains access to this report.

Seoul, Korea
Hoonsoo Yoon, Chief Executive Officer

Samuel PricewaterhouseCoopers
28 October 2024

This report is effective as of 28 October 2024, the report date. Certain subsequent events or circumstances, which may occur between the report date and the time of reading this report, could have a material impact on the Report on the Identified Sustainability Information. Accordingly, the readers of the report should understand that there is a possibility that the above report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.



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Greenhouse Gas Verification Statement

ECOPRO MATERIALS Co., Ltd.

The Korea Management Registrar Inc. (hereinafter “KMR”) has conducted the verification on the greenhouse gas (hereinafter “GHG”) emission (Scope 1, 2) of ECOPRO Materials Co., Ltd. (hereinafter “the Company”) from 2022 to 2023.



SCOPE

Verification of all places of business and emission facilities under the control of the company.

STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories
- Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme

PROCEDURE

We conducted a risk analysis approach and on-site verification based on data evaluation, and we identified the appropriateness of the data and factors applied to GHG emission calculations based on objective evidence. The verification team verified the GHG emissions during the reporting period in a reasonable way based on the verification guidelines.

INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/ views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review

LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

OPINION

- GHG verification has been performed to meet the reasonable assurance level according to the verification standards.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated. As a result, we express an “unmodified” opinion.
- Criticality: meets the criterion, which is less than 5%
- GHGs Emission (All places)

GHGs Emission	Direct emission (Scope 1)	Indirect emission (Scope 2)	Total (tCO ₂ -eq)
2021	12,872.892	16,709.517	29,582
2022	19,817.886	26,066.542	45,884
2023	30,611.382	37,303.452	67,914

Energy Consumption	Fuel	Electricity	Steam	Total (TJ)
2021	253.943	349.168	0	603
2022	390.961	544.695	0	935
2023	603.86	779.506	0	1,383

* Note : There is a difference in the total amount of emissions and emissions by greenhouse gas and by workplace.
(Total emissions are cut to a decimal point for each workplace unit and emissions are summed up for each workplace unit.)

RESULTS

- We confirm through verification that the emissions from major emission facilities have been calculated and reported without omission.

- The company is responsible for preparing the verification data in accordance with the Guidelines on Emission Reporting and Certification under the Greenhouse Gas Emission Trading Scheme (Ministry of Environment Notification No. 2021-278). KMR's responsibility is limited to the verification contract party under the agreed terms. KMR is not responsible for other decisions such as investment based on this verification statement.
- The company should comply with the requirements relating to the use of the certification mark and logo mark under the agreed contract with KMR.

E J Hwang



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Greenhouse Gas Verification Statement

ECOPRO MATERIALS Co., Ltd.

The Korea Management Registrar Inc. (hereinafter “KMR”) has conducted the verification on the greenhouse gas (hereinafter “GHG”) emission (Scope 3) of ECOPRO MATERIALS Co., Ltd. (hereinafter “the Companies”) in 2023.



SCOPE

Verification of business and emission facilities under operational control of the company.

STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National GHG Inventories
- Guidelines for Reporting and Certification of Emissions under the GHG Emissions Trading System
- WRI/WBCSD GHG Protocol

PROCEDURE

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation. The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

- Interview with the person in charge of data and record management
- Reviewed data and record-keeping processes
- Reviewed sources and criteria for emission factors and parameters
- Reviewed additional evidence provided by the company

INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/ views. We have drawn an independent and objective verification conclusion based on the verification stand- ards, and reviewed the every aspect of the verification we performed throughout the entire verification pro- cess through internal review.

LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

OPINION

- The assurance opinion is based on our approach and the professional judgment of the assurance practitioner. Nothing has come to our attention that causes us to believe that we have not complied with all material aspects of the Assurance Standard.
- The assurance engagement was performed to satisfy a limited assurance level, and the assurance risk is higher than a reasonable assurance level.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated.
- Criticality: meets the criterion, which is less than 5%
- Scope 3 emissions and Energy consumption

NO	Category	Emissions (tCO ₂ -eq)	Notes
CAT 1	Purchased goods and services	671,016	
CAT 2	Capital goods	67,832	
CAT 3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	5,972	
CAT 4	Upstream transportation and distribution	33,959	
CAT 5	Waste generated in operations	114	
CAT 6	Business travel	69	
CAT 7	Employee commuting	505	
CAT 9	Downstream transportation and distribution	1,599	
CAT 10	Processing of sold products	140,815	
CAT 15	Investments	0	No external investment in 2023
Total Scope 3 emissions		921,881	

* The total Scope 3 emissions are rounded down and added up by category.

RESULTS

- Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities.
- * The abovementioned company is responsible for preparing verification data in accordance with the “Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)”, and KMR’s responsibility is limited to the party in the verification contract according to the agreed contract terms. and is not responsible for other decisions, including investment decisions based on this verification statement.
- * The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.

June 24, 2024

Authorized By

E J Hwang

CEO Eun Ju Hwang



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Memberships, Certifications, and Awards

Memberships

No.	Organization	Description	Member since
1	Korea Association of Standards and Testing Organizations (KASTO)	An organization that supports conformity assessment in calibration, trains precision measurement professionals, and develops and disseminates standard calibration procedures, etc. We maintain the KASTO membership to acquire and retain our KOLAS accreditation.	2023

Certifications

No.	Category	Validity	Description
1	ISO 14001	May 27 2022 - May 26 2025	Environmental Management System
2	ISO 45001	May 27, 2022 - May 26, 2025	Occupational health and safety Management System
3	IATF 16949	July 5, 2023 - July 4, 2026	International Automotive Task Force
4	ISO/IEC 17025	December 21, 2023 - December 20, 2027	Korea Laboratory Accreditation Scheme
5	Family-Friendly Certification	-	Certification to companies and public institutions that operate exemplary family-friendly systems
6	Certification for Outstanding Companies in Hiring Veterans	-	Certification to employers that have contributed to job creation and employment for mid- to long-term service veterans who have served as officers, associate officers, or non-commissioned officers for more than five years under the Military Service Act or the Military Personnel Management Act.

Awards

No.	Date	Awarder	Title	Awardee
1	December 14, 2021	Korea International Trade Association	200 Million Dollar Export Tower on the 58th Trade Day	EcoPro GEM
2	December 16, 2022	Gyeongsangbuk-do	Gyeongsangbuk-do Investment Promotion Award	EcoPro Materials
3	January 1, 2023	Ministry of Employment and Labor	Youth-Friendly Small and Medium Business Designation	EcoPro Materials
4	January 5, 2024	Korea Occupational Safety and Health Agency	Outstanding Company in the 2023 Safety and Health Cooperation Project for Large and Small Enterprises	EcoPro Materials



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