

# **2025**

## **Responsible Minerals Report**



**2026.03.23**

# 1. Report Overview

## 1.1 Purpose of Publication

The purpose of this report is to disclose and publicly report the results of YoungPoong’s supply chain due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the “OECD Guidance”). By disclosing our efforts to identify, assess, and mitigate risks that may arise during mineral sourcing, we aim to demonstrate our commitment to responsible mineral sourcing and supply chain risk management in line with the expectations of external stakeholders and business partners, and to strengthen relationships across our value chain in a sustainable manner. This report follows the Responsible Minerals Report 2024 and covers a continuous period for responsible mineral sourcing, with no reporting gap.

## 1.2 Reporting Scope and Period

Reporting period: 2024.06.01 – 2025.05.31 (During the period subject to the examination, actual due diligence of the responsible mineral is carried out annually)

Covered minerals: Zinc ingots (Zn) and copper cathodes (Cu) – concentrates and recycled raw materials (e.g., scrap) used for production

Supply chain scope: raw material suppliers, transporters, processors, service providers, operating sites using raw materials, transport routes, etc. (the geographical scope covers all countries involved in the supply process)

## 1.3 Reporting Standards and Key Definitions

This report has been prepared based on the following standards and principles.

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Edition 3, 2016)
- RMI Global Responsible Sourcing Due Diligence Standard for Mineral Supply Chains – All Minerals (Version 1.1, 2022)
- RMI RMAP and RMAP+ Operations Manual (Revision 1.1, 2025)
- EITI (Extractive Industries Transparency Initiative) Standard (2023)
- UN Sanctions Lists, US OFAC (Specially Designated Nationals), EU Financial Sanctions List, UK Sanctions List, etc.

## 1.4 Inquiries and Disclosure Channel

This report is available for download on the Young Poong website. For inquiries, please contact the details below.

<b>Department</b>	Sustainability Management Team, Young Poong
<b>E-mail</b>	esg@ypzinc.co.kr

## 2. Company Profile

YoungPoong is a non-ferrous metal smelting company that processes zinc concentrates and recycled raw materials related to zinc and copper to produce zinc ingots and copper cathodes. While these minerals are not typically classified as 3TG conflict minerals, human rights, environmental, and governance risks may arise during mineral extraction and trading; therefore, we designate and manage them as responsible minerals in line with the OECD Guidance.

<b>Company Name</b>	Young Poong Corporation
<b>Head Office</b>	542 Gangnam-daero, Gangnam-gu, Seoul, Republic of Korea
<b>Site</b>	16 Seungbu-gil, Seokpo-myeon, Bonghwa-gun, Gyeongsangbuk-do, Republic of Korea (Young Poong Seokpo Smelter)
<b>Business Type</b>	Smelter (non-ferrous metals such as zinc and copper)
<b>Reporting Entity</b>	Young Poong Corporation and Seokpo Smelter operations
<b>Covered Minerals</b>	Zinc (CID005224), Copper (CID005289)
<b>Products</b>	High-purity electrolytic zinc ingot, composite zinc ingot, pure jumbo zinc ingot, alloy zinc ingot, copper cathode, sulfuric acid, etc.
<b>Reporting Period</b>	2024.06.01 – 2025.05.31

### 3. Responsible Minerals Due Diligence System

YoungPoong participates in the Responsible Minerals Initiative (RMI) and its Responsible Minerals Assurance Process (RMAP).

In July 2025, YoungPoong underwent an on-site assessment by an RMI-appointed audit firm to evaluate conformance with RMAP. Following the assessment, YoungPoong is implementing the Corrective Action Plan (CAP).

[RMAP Assessment Status]

- CID005224 (Zinc): 2024.06.01–2025.05.31 (assessment period); 2025.12.04 (CAP1 review); RMI and RMI-appointed audit(assessment body)
- CID005289 (Copper): 2024.06.01–2025.05.31 (assessment period); 2025.12.04 (CAP1 review); RMI and RMI-appointed audit (assessment body)
- These facilities are currently in “RMAP Active” status and the CAP is in progress. (Reference link: Active Zinc Processors / Active Copper Processors)

RMAP is a program that evaluates and verifies a smelter/refiner’s mineral management system and sourcing practices through an independent third party. It was developed to meet requirements such as the OECD Guidance, the EU Conflict Minerals Regulation, and the U.S. Dodd-Frank Act, and it verifies responsible mineral sourcing through an assessment of the facility’s management processes

In addition to RMAP certification, the company has established a responsible mineral due diligence system since '24 and is conducting self-evaluation and monitoring. For information on self-monitoring and due diligence reports in '24 years, visit the following link ([YoungPoong](#)). In '25, we carried out processes such as overall policy framework revision and process establishment, identified actual risks in the supply chain, and then established a process to mitigate risks.

This report is structured in accordance with the OECD 5-Step Framework (establish management systems – identify and assess supply chain risks – design and implement a strategy to respond to risks – third-party audit – public reporting), and reflects requirements for each step.

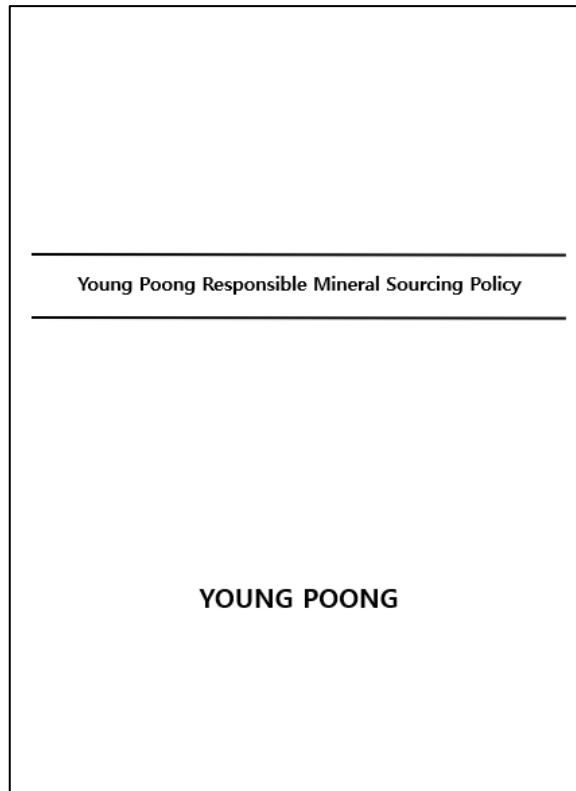
#### 3.1 Step 1: Establish Strong Company Management Systems

##### 3.1.1 Policy Framework

Young Poong has established and implements the following internal policies to support responsible mineral sourcing.

- Responsible Minerals Sourcing Policy: We comply with guidelines and standards of the OECD, RMI and EITI and strive to build supply chains that do not contribute to the risks described in Annex II of the OECD Guidance. We aim for long-term relationships with suppliers and continuously improve our management system with clear responsibilities and authorities. We publicly disclose our mineral sourcing activities annually through this Responsible Minerals Report. We require all direct and indirect suppliers to adhere to our responsible sourcing policy and

encourage third-party due diligence/assurance. We also collect a written acknowledgement/commitment from direct suppliers to comply with our policy.



<Young Poong Responsible Minerals Sourcing Policy>

- **Supplier Code of Conduct:** To define standards for our suppliers and business partners to protect human rights and the environment and to conduct business responsibly, we have established a Supplier Code of Conduct and disclosed it on our website. The Code of Conduct covers requirements related to human rights, safety, health, environment, responsible sourcing, and lawful and ethical business conduct, and is grounded in the UN Guiding Principles on Business and Human Rights and reflects international standards such as the OECD and the Responsible Business Alliance (RBA) Code of Conduct. All suppliers are required to establish internal control systems to comply with the Code and to apply equivalent requirements throughout their downstream supply chains. If violations of laws or the Code are identified, suppliers must communicate transparently and take corrective actions promptly. YoungPoong may monitor compliance, and suppliers must cooperate. If a supplier does not comply, YoungPoong may take actions such as requesting improvements.
- **Risk Assessment & Management Policy / CAHRA Identification Procedure:** In accordance with our CAHRA identification procedure, we designate conflict-affected and high-risk areas (CAHRAs) and operate a risk identification, assessment, and mitigation system across the supply chain based on our Risk Assessment & Management Policy. Each year, we assess all suppliers using criteria such as CAHRA relevance, OECD Annex II risks, red flags, and origin transparency. If a supplier or transaction is classified as high risk, we conduct enhanced due diligence (EDD) and implement a Corrective Action Plan (CAP). We also manage the risk of potential secondary origin

laundering through documentation review and traceability checks across the supply chain. The implementation status of risk mitigation is monitored regularly, and results are disclosed transparently through management review and this Responsible Minerals Report.

- **Raw Materials Purchasing Management Process:** Under our purchasing management procedures, we conduct due diligence for new and existing suppliers, including KYC, origin, transport routes, and ownership structure. Purchase contracts specify obligations to comply with our responsible minerals policy and Supplier Code of Conduct, and internal controls such as avoiding cash transactions and screening sanctions lists are applied. Before and after shipment, we cross-check assays, bills of lading (B/L), origin evidence, and transport routes to verify authenticity and consistency. All transaction-related records are retained for at least five years, and we continuously manage transparency and traceability through reconciliations and monitoring.

### **3.1.2 Governance, Roles and Responsibilities**

Our responsible minerals due diligence management system is operated under the leadership of the ESG Committee and Responsible Mineral senior management, with relevant departments (including the Raw Materials Team and Sustainability Management Team) sharing responsibilities.

To ensure that supply chain due diligence and responsible minerals activities are implemented as an organizational responsibility, we clearly define roles and responsibilities of relevant departments and link them to the performance evaluation system. All relevant departments are periodically reviewed for implementation of risk identification, assessment, and mitigation activities, and due diligence response performance is reflected in individual performance indicators. Senior management receives reports on the status of due diligence operations through management review and may direct corrective actions as needed. This ensures that the due diligence system does not remain a formal procedure but is managed to translate into operational performance.

- **ESG Committee:** Ultimately oversees the due diligence management system and its implementation
- **Senior Manager (Raw Materials Team):** Oversees due diligence, reviews risk assessment results, and makes decisions
- **Raw Materials Team / Materials & Equipment Team:** Supply chain mapping; risk information collection and evaluation; design and implementation of mitigation strategies; supplier due diligence support; reporting due diligence results
- **Sustainability Management Team:** Policy development and support; development of training materials; certification response; publication of the report; evaluation of the due diligence management system at least annually
- **Compliance Team:** Operates whistleblowing intake, investigation, and follow-up for supply chain-related reports; manages reporting of suspicious transactions/criminal activities
- **Production Planning Team:** Establishes production plans; registers and manages products in ERP; ensures consistency of production information
- **Planning Team:** Overall responsibility for data integrity and reliability within the ERP system
- **Quality Assurance Team:** Responsible for accuracy of traceability information for products
- **Logistics Team (Donghae Logistics Team):** Ensures that inbound/outbound data is accurately reflected in the ERP system; conducts periodic inventory counts; maintains transparency and traceability of inventory usage and movement

- Human Resources Team: Provides guidelines and ensures effective completion of 'supply chain management' training for relevant departments

### **3.1.3 Internal Control System**

Young Poong has established and implements a management review process to periodically review the effectiveness and performance of the supply chain due diligence management system. Key review items include due diligence response, implementation of corrective actions by item, training completion, and timeliness of reporting.

To improve due diligence performance, we identify areas for improvement during the due diligence process and implement improvement plans. In 2025, we expanded the scope of risk monitoring by reflecting OECD, RMI and RMAP guidance in our responsible supply chain policy to minimize negative impacts such as human rights abuses, conflict, and money laundering. We also revised our KYC questionnaire to collect more detailed information such as beneficial owners and beneficiaries, and updated our CAHRA procedures to strengthen CAHRA identification. In addition, we improved our Risk Assessment & Management Policy, Supplier Code of Conduct, and internal purchasing procedures to track and prevent risks. We aim to minimize risks in our supply chain and realize responsible mineral sourcing through continuous system improvements.

To prevent negative issues such as human rights and environmental impacts from the extraction stage through trading and delivery to YoungPoong, we established a Responsible Minerals Sourcing Policy. To help suppliers comply with our policy, we request an annual Supplier Code of Conduct Compliance Declaration and Responsible Supply Chain Policy Compliance Declaration, and we notify suppliers in advance that on-site audits may be conducted to verify compliance. If a supplier refuses, we may decide whether to transact based on the supplier's verified responsible supply chain policy or third-party assurance, following internal evaluation. We also distribute training materials annually to direct suppliers, covering responsible minerals overview, our supply chain policy, and OECD guidance, to support understanding and compliance.

YoungPoong has an information management system that enables traceability across the process from extraction to product manufacturing. We operate a mass balance system that verifies material reconciliation based on raw material receipts, process inputs, outputs, and ending inventory. ERP-based data is reconciled with physical inventory count results to confirm input-output consistency, and when discrepancies occur, we perform root-cause analysis and corrective actions. These verifications are used as internal management procedures within the supply chain management and responsible minerals due diligence system.

To collect supply chain information and identify CAHRAs, we request annual updates of KYC (Know Your Counterparty) questionnaires, Supply Chain Map questionnaires, and transport documents. Through KYC, we confirm suppliers' basic information, address, beneficial owners, senior management, beneficiaries, any unlawful conduct, and the presence of internal control systems. To understand mineral origin and processors as well as ASM/LSM information, we distribute and collect Supply Chain Map questionnaires from direct suppliers. We also obtain certificates of origin, delivery routes, and transport documents to understand activities from the mine to YoungPoong and to identify potential unethical conduct along the route. In addition to annually collected information, we also monitor news articles and external reports on an ongoing basis to identify high-risk supply chains and related risks.

To enhance supply chain transparency, we retain all communications and supporting documents such as invoices, avoid cash transactions, and request improvements where there is a possibility of policy non-compliance. We also conduct transit monitoring, sanctions screening, and document consistency verification to support operational transparency. Following these risk identification efforts, depending on the risk level, we may continue transactions while monitoring improvements, temporarily suspend transactions until mitigation is completed, and as a last resort, consider contract termination.

All records related to the supply chain management program are retained for at least five years, and we control policy revision history and access rights. To ensure supply chain transparency, we also systematically retain and manage communication records, invoices, and key transaction documents (e.g., customs/transport).

### 3.1.4 Grievance Mechanism

YoungPoong operates a grievance channel via the whistleblowing channel on our website (<https://www.ypzinc.co.kr/>) to receive reports of unethical or illegal activities that may affect our supply chain or stakeholders, including complaints related to supply chain policies and due diligence systems.

To foster a transparent reporting culture, we have established an anonymous reporting system in accordance with internal whistleblowing rules and strictly protect any reporter from retaliation. Once a report is received, we promptly analyze it, verify facts, and process it in accordance with the grievance mechanism, and we notify the reporter of the outcome. In addition, if similar cases are considered likely to exist or if a significant system issue is identified, we take additional actions to minimize risks.

From June 2024 to December 2025, the number of grievances received related to the mineral supply chain was 0. We will continue to enhance the grievance mechanism, actively gather stakeholder feedback, and manage risks through internal improvements.

### 3.1.5 Training and Capacity Building

To strengthen responsible mineral sourcing and supply chain management, relevant employees—including new hires and senior management—must complete supply chain management system training at least once per year. In 2025, the number of participants exceeded the target because senior management and additional participants attended.

Departments Trained	Target (persons)	Participants (persons)
Planning Team; Raw Materials Team; Materials & Equipment Team; Compliance Team; Sustainability Management Team; Human Resources Team; Donghae Logistics Team; Quality Assurance Team; Production Planning Team; Logistics Team; Senior Management for Responsible Minerals	38	42

### 3.1.6 Data and Record Management System

We store all records related to supply chain due diligence in electronic systems and retain them for at least five years depending on document type. Records subject to retention include KYC questionnaires and review records, red flag review materials, EDD reports, CAP documents, origin evidence, transport/customs documents, transaction contracts, and management review minutes. Access and editing are restricted, and creation/modification/deletion of key documents can be traced through system logs. We also conduct periodic data integrity checks to prevent tampering or loss of records.

## 3.2 Step 2: Identify and Assess Risks in The Supply Chain

### 3.2.1 Definition of Supply Chain Risks

In our due diligence process, we prioritize the identification and assessment of “material risks” that can have a significant impact on supply chain transparency and responsibility, rather than routine operational risks. Material risks refer to human rights, conflict, and governance-related risks described in the OECD Guidance for minerals supply chains in conflict-affected and high-risk areas that are likely to occur in the supply chain or would have significant legal, reputational, or operational impacts if they occur. We set the scope of risk identification around these material risks and operate red flag reviews and high-risk assessment procedures.

In particular, we identify the following key risk categories listed in Annex II of the OECD Guidance as material risks.

Risk Category	Details
Serious human rights abuses associated with the extraction, transport or trade of minerals	Torture and cruel, inhuman and degrading treatment
	Forced or compulsory labour
	Child labour
	Sexual violence
	War crimes, serious violations of international humanitarian law, crimes against humanity or genocide
Direct or indirect support to non-state armed groups	Illegal control of mine sites or transport routes; illegal taxation/extortion at mine access points, transport routes or during trading
Public or private security forces	
Bribery and fraudulent misrepresentation of the origin of minerals	Bribery demands to conceal or falsify origin; false reporting or under-reporting/concealment of payments such as taxes, fees or royalties

Money laundering	-
Payment of taxes, fees and royalties due to governments	Proper payment of legally required taxes, fees and royalties related to the extraction, trade and export of minerals in CAHRAs

(Source: OECD DD Guidance Annex II Risk List)

### 3.2.2 Supply Chain Mapping and Pinch Point Identification

We identify all pinch points within the supply chain, including upstream, and update the information at least annually.

For pinch point evaluation, we confirm whether RMAP or an equivalent third-party assessment scheme is applied. If a facility is not covered by RMAP, we require the facility to specify an alternative third-party certification program or a second-party assessment type.

We periodically cross-check pinch points in our supply chain against the RMI Public List to confirm each facility's RMAP status. Upon onboarding a new supplier and through at least annual reviews, we confirm RMAP status (Conformant, Active, Non-Conformant, etc.) and record the results in an internal register. We also monitor RMI announcements for status changes and assess potential impacts on our supply chain.

### 3.2.3 KYC (Know Your Counterparty) and Data Collection

Young Poong conducts KYC procedures for all suppliers prior to initiating new transactions and updates KYC information for suppliers annually. KYC includes facility information, business relationship type, input/output materials, pinch point information, business legality, ownership (including ultimate beneficial ownership), and sanctions list compliance.

Suppliers must comply with the Responsible Minerals Sourcing Policy and provide, upon request, information needed for risk assessment and performance monitoring (e.g., tax payment certificates, mineral origin confirmation, import/export documents).

We cross-check import documents and publicly available information to verify discrepancies or changes in KYC information, and we work with suppliers to confirm and validate facts.

### 3.2.4 CAHRA Identification Criteria

CAHRA (conflict-affected and high-risk areas) are defined as areas where risks exist that can cause harm to people, such as armed conflict, widespread violence, political instability, repression, institutional weakness, unstable security, collapse of social infrastructure, and pervasive human rights abuses.

Young Poong identifies CAHRAs based on a total of 22 criteria reflecting publicly available information and internationally recognized standards, including the Dodd-Frank Act list and the EU CAHRA list.

A country/area is designated as a CAHRA if it meets either of the following: (1) included in the Dodd-Frank Act list or the EU CAHRA list; or (2) classified as Extreme Risk (0–2.49) or High Risk (2.50–4.99) in the RMI Global Risk Map Tool.

We secure and retain objective evidence for each determination (e.g., screenshots from the RMI Global Risk Map Tool). We conduct enhanced due diligence when minerals are produced in CAHRAs or transported via CAHRAs; when a supplier or sub-tier supply chain has shareholders or equity in a company operating in a CAHRA; or when minerals have been sourced from CAHRAs or transported through CAHRAs within the past 12 months. These items are included in KYC conducted for all suppliers, and we collect additional information through supplemental questionnaires as needed. Based on findings, we identify and assess risk groups at the country level considering shareholder structure, mineral origin, and transport routes.

For countries identified as CAHRAs, we operate a process to review OECD Annex II risks through external reports, internal assessment reports, and media research (including supplier and origin/transit risk research) as part of the enhanced due diligence process.

### **3.2.5 Red Flag Review**

Through KYC and supplemental questionnaires, we confirm upstream information and origin, including mines and smelters/refiners. We identify potential red flags by reviewing CAHRA relevance, sanctions exposure, plausibility of declared origin, ASM-related risks, potential origin laundering due to by-products/separation points, and abnormal indicators in transport, transshipment, and trading.

When a red flag is identified or information is unclear, we escalate to an Annex II-based high-risk assessment (Enhanced Due Diligence) for additional investigation and, where necessary, direct or third-party on-the-ground assessment. If risks are confirmed, we establish and implement a mitigation plan.

### **3.2.6 Red Flag Review Results**

During the reporting period, we conducted red flag reviews for all suppliers. As this was the first year of our RMAP response, we strengthened the red flag review framework and conducted a full review.

If a red flag is identified, we conduct enhanced due diligence in accordance with OECD Annex II and establish a risk mitigation plan based on the assessment results.

Our red flag identification results fall into one of the following conclusions:

A) No red flags identified; therefore, an Annex II risk assessment is not required.

B) Red flags were identified; however, our review found no significant likelihood that the origin of the minerals concerned corresponds to the red flag, and the issue can be reasonably resolved without an on-the-ground investigation; therefore, an Annex II risk assessment is not justified.

C-1) A red flag region or supplier was identified and the risk level is unclear; or our review indicates that the mineral's origin may differ from the declared origin and may be a CAHRA or suspected CAHRA; therefore, an Annex II risk assessment is required.

C-2) A red flag region or supplier was identified and the risk level is unclear; or our review indicates that the supplier conducts trading activities related to CAHRAs that could affect the risk of minerals declared as non-CAHRA origin; therefore, an Annex II risk assessment is required.

Out of 165 transactions during the period, 31 cases had red flags. For 23 cases falling under C-1 and C-2, we performed an Annex II risk review. As a result of desk-based Annex II risk review, 22 cases required additional review; where material risks were identified and further review was necessary, we prioritized such cases for on-the-ground assessment.

Category	Count
Number of suppliers reviewed	18
Number of transactions in the period	165
Number of origin CAHRA screenings	23
High-risk sanctions screening cases	0
Red flag cases identified	31
Annex II risk reviews conducted	23
Cases subject to risk mitigation	22

### 3.3 Step 3: Design and Implement a Strategy to Respond to Identified Risks

#### 3.3.1 Risk Mitigation Principles and Review Results

After completing supply chain risk assessment, we report the analysis results and potential impacts to senior management. Based on these results, we select mitigation measures according to the risk level. We adopt the use of RMAP-conformant facilities as a principle and aim to gradually reduce dependency on high-risk or non-conformant facilities.

- Option A: Continue sourcing while implementing measurable mitigation actions
- Option B: Temporarily suspend sourcing until corrective actions are established and verified
- Option C: Discontinue sourcing where mitigation is not feasible or is unacceptable

Following Annex II risk-based EDD (Enhanced Due Diligence), risk mitigation criteria are established based on the following:

- If risks related to severe human rights abuses or non-state armed groups are identified, immediately discontinue engagement with the relevant supplier.
- Decisions on all risk mitigation strategies must be appropriate to the type and scale of potential and actual adverse impacts.
- Decisions on all risk mitigation strategies must be appropriate to the location of the relevant facility within the supply chain.

Based on our review of risk mitigation criteria, we concluded 7 cases for Option A, 10 cases for Option B, and 5 cases for Option C.

Option	Definition	Application criteria	Count
A	Continue sourcing while mitigation actions are implemented	Relatively lower risk and gradual improvement is feasible	7

<b>B</b>	Temporarily suspend sourcing until corrective actions are established	High risk and immediate sourcing is inappropriate, but improvement is feasible	10
<b>C</b>	Discontinue sourcing	Severe risks are identified in accordance with OECD Annex II, or mitigation efforts fail over six months	5

### 3.3.2 Operation of the Risk Mitigation Plan

Based on red flag reviews and Annex II-based enhanced due diligence results, when high-risk transactions are identified or the risk level remains unclear due to insufficient information, we establish and implement a documented Risk Mitigation Plan for the relevant matter.

Risk mitigation plans are designed considering the type and scope of the issue and include: (1) improvement objectives (quantitative and qualitative KPIs), (2) action items and responsible departments, (3) deadlines, (4) monitoring and verification methods, and (5) exit/closure criteria. Implementation processes and results are recorded and managed in the Risk Mitigation Register.

To ensure effectiveness, we conduct a mid-term review after three months and a final review after six months to verify improvement against objectives. If gaps are identified, we update action items and timelines based on root-cause analysis and report to senior management.

Key performance indicators (KPIs) of the risk mitigation plan are selected to directly demonstrate improvements in transparency and risk reduction, including identification rate of origin and upstream supply chain, transaction/material consistency (reconciliations), completion of direct or third-party on-the-ground assessments, RMAP Recommendation & Training %, Obtain stopover information %, and sanctions screening coverage. We regularly track and manage KPI performance to monitor implementation outcomes and reduce risk levels.

The progressive improvement plan for risk mitigation is to obtain the supplier's responsible supply chain procurement policy within one month, and to provide training on responsible minerals, including the supplier's upper supply chain, within four months. It also pledges and renews compliance with our Supply Chain Code of Conduct within six months, and investigates local risks through second or third-party due diligence within nine months. Within one year after implementing and implementing these risk mitigation strategies, risk re-evaluation determines the degree of risk, and then low risk determines.

Currently, transactions subject to risk mitigation option A are completed and in progress as follows. 100% identification rate of origin/top supply chain, 100% transaction/volume consistency review, in-person or third-party on-site inspection On Progress, RMAP acquisition recommendation and training On Progress, 100% stopover information acquisition, 100% sanctioned screening.

Operational status and interim performance of the risk mitigation plan are reviewed by relevant departments and reported to senior management. Reporting and approval outcomes are reflected in subsequent decisions on risk mitigation strategy (continue/suspend/discontinue and risk changes).

### **3.3.3 Involvement of affected stakeholders**

We would like to work with an independent organization to monitor Annex II Risk in high-risk areas. We would like to identify professional NGOs by risk type and establish a multi-faceted monitoring system to establish a due diligence system and identify and prevent the impact on stakeholders. We have made initial contact with major trusted local NGO companies. We inquired about receiving field-based risk reports and, when a partner network partner is finally selected, we proposed the establishment of a formal communication channel to verify and monitor whether our financial and administrative support plan to strengthen the capacity of local suppliers and communities is actually working in the field.

Long-term networks can contribute to our risk mitigation plan through the following mechanisms and identify and prevent the impact of stakeholders.

- ① Receive regular on-site risk reports from each agency
- ② In the event of signs of pollution or safety accidents in the area around the mine, the supplier is asked to take corrective action
- ③ When detecting signs of community forced labor and war, determine whether transactions are suspended
- ④ Improve the quality of education by reflecting the provision of educational materials and methodologies when educating local workers on human rights

Accordingly, we would like to discuss detailed monitoring measures with the organization that is completing the consultation. In addition, we have already confirmed that the top supplier from the risk area has a local monitoring system. We would like to actively utilize the network to identify and prevent the impact of stakeholders in the high-risk area.

### **3.3.4 Pinch Point and RMAP Conformance Management**

If cross-checking against the RMI Public List indicates that a pinch point facility is Non-Conformant or Active, we conduct additional risk assessment for the facility. Where necessary, we confirm whether the supplier is implementing a Corrective Action Plan (CAP) and request information on the timeline for regaining RMAP conformance. Depending on the risk level, we consider actions such as conditional continuation, temporary suspension, or discontinuation of sourcing.

## **3.4 Step 4: CARRY OUT INDEPENDENT THIRD-PARTY AUDIT OF SMELTER/REFINER'S DUE DILIGENCE PRACTICES**

### **3.4.1 Enhanced Due Diligence (EDD)**

Where a direct supplier does not hold independent third-party assurance such as RMAP or is classified as high risk, Young Poong requests additional evidence related to extraction, trading,

transport, and import/export (e.g., location information, ownership tracing, transport routes, payment of taxes/fees/royalties, and payments to public/private security forces or armed groups).

For high-risk suppliers or supply chain elements linked to CAHRAs, we conduct desk-based reviews using an EDD checklist and, where necessary, perform on-the-ground assessments. If on-site visits are not possible for more than one year due to government travel restrictions, we use remote assessment methods as an alternative.

### **3.4.2 On-the-ground Assessment**

For supply chains classified as high risk, we conduct on-the-ground assessments as needed. Such assessments are planned considering the risk level, supply chain complexity, and accessibility, and are conducted through preparatory steps including pre-review of documents, selection of interviewees, and development of assessment checklists.

During site visits, we verify actual origin, mine type (ASM/LSM), upstream actors, transport routes, processor/pinch point identification, beneficiary and sanctions checks, working conditions and operating procedures, and the presence of OECD Annex II risks, and we conduct interviews with relevant personnel. Results are documented and reported in an assessment report.

On-the-ground assessments are conducted by trained internal staff or, where necessary, in collaboration with external experts. The assessment team is composed of personnel with relevant supply chain expertise and is selected considering independence and avoidance of conflicts of interest.

During the period, we planned and carried out on-the-ground assessments for six transactions that met either of the following conditions: ① where, after identifying a red flag, available data was insufficient to determine the presence of Annex II risks in a sufficiently reliable manner; ② where a desk-based Annex II review identified material risks requiring additional review.

As a result of the on-the-ground assessment and checklist review, no additional material risks were identified. Based on a comprehensive review of origin, supply chain flow, mining permits and basic licenses, operational and security controls, and OECD Annex II risk items, no matters requiring immediate suspension of sourcing or major corrective actions were identified.

We will continue to monitor for new issues for the same supply chain transactions and review the latest versions of transaction-related documents. If new red flags or issues are identified by NGOs, the media, or regulatory authorities, we will reassess the need for additional Annex II evaluation and CAP.

### **3.4.3 Stakeholder Engagement**

During high-risk assessment processes, we consider the views of local stakeholders. This may include reviewing publicly available information from relevant government authorities, industry associations, community representatives, NGOs, or other credible institutions. Even when site access is limited, we use reliable secondary sources such as public reports, international organization materials, and NGO reports. In addition, we communicated directly with stakeholders during on-the-ground assessments.

### 3.4.4 Use of Third-Party Assurance

We confirm whether all pinch points in the supply chain are subject to an independent third-party assessment under RMAP or an equivalent standard. If a pinch point is deemed non-conformant by a third-party assessment, we perform red flag review and EDD for inputs received from that pinch point, and implement a risk mitigation strategy and risk mitigation plan according to the feasibility of corrective actions.

### 3.4.5 Summary of EDD and Assurance Activities

The number of desk-based in-depth audits is 23, and the number of second-party on-site audits is 6. A total of three companies have been identified through the third certification.

Category	Indicator	Result	Remarks
EDD(Enhanced Due Diligence)	Desk-based reviews conducted	23 cases	EDD checklist
	On-the-ground assessments conducted	6 cases	On-the-ground assessment report
Third-party assurance	RMAP, LBMA, Copper Mark, Zinc Mark	3 facilities	RMI Public List, LBMA List, Copper Mark List

## 3.5 Step 5: REPORT ANNUALLY ON SUPPLY CHAIN DUE DILIGENCE

Young Poong discloses responsible sourcing practices and due diligence results through our sustainability report, website, and this Responsible Minerals Report. We will publish an annual Responsible Minerals Report, including this report, in line with internationally required standards to disclose our due diligence processes and outcomes transparently to stakeholders. We also disclose KPIs so that stakeholders can understand our responsible mineral sourcing status.

Starting with the first Responsible Minerals Report in 2024, we have been establishing internal systems related to responsible mineral sourcing. In particular, while conducting the RMAP assessment in 2025, we strengthened our responsible minerals system and plan to complete the assessment response within 2026. Based on this progress, we present our forward-looking plan for 2026.

### 3.5.1 Key Achievements

During 2025, YoungPoong achieved various outcomes related to enhancing transparency in responsible mineral supply chains. We revised our Responsible Minerals Sourcing Policy, Supply Chain ESG Management Policy, Raw Materials Purchasing Management Process, and Supplier Code of Conduct, and established and applied new procedures and policies including the CAHRA procedure, Risk Assessment & Management Policy, anti-corruption policy, community engagement policy, and human rights policy.

We further incorporated OECD and RMI guidance into our Responsible Minerals Sourcing Policy and required sub-tier suppliers to comply with our standards. We encouraged third-party assurance and added provisions that allow us to require improvement plans and mitigation actions in cases of policy non-compliance, and to place transactions on hold or seek alternative suppliers. We obtained compliance declarations from direct suppliers for the Responsible Supply Chain Policy and Supplier Code of Conduct. To enhance transparency, we reviewed risks related to beneficial ownership/beneficiaries and updated the KYC questionnaire to reflect supply chain risk identification in more detail. We strengthened collection of transport supporting documents such as certificates of origin, inland transport routes, and invoices. By establishing the CAHRA procedure, we improved consistency in identifying and assessing supply chains and enhanced our management level.

We conducted training on responsible minerals for relevant departments and provided ESG training for all head-office employees on topics such as sustainability disclosure and supply chain due diligence. To improve due diligence performance, we distributed training materials to direct suppliers and requested that they be shared with sub-tier suppliers. We also strengthened policies related to human rights protection by establishing a human rights policy. In addition, we are strengthening our internal responsible minerals system through revised and newly established policies and procedures. Within a short timeframe, we established risk assessment criteria and conducted enhanced due diligence through desk review and direct on-the-ground assessments. Based on the results, we established a risk mitigation plan and are implementing our risk mitigation strategy.

### **3.5.2 Forward-looking Plan**

With company-wide attention and efforts, we achieved various outcomes in 2025. Nevertheless, high-risk elements have been identified in the supply chain and continuous improvement and management are required. We aim to obtain RMAP conformance within 2026. Reflecting assessment findings, we will further enhance internal systems. We will strengthen training so that systems and actual work processes are aligned, improve employee capabilities through ongoing refresher training for existing and new staff, and expand training to indirect suppliers to build shared understanding across the value chain and improve due diligence performance.

We will continue to implement our risk mitigation strategy and continuously manage high-risk supply chain transactions, with a focus on mitigating risks across our value chain.