

2024

Responsible Minerals Report



YOUNGPOONG

2025.04.01

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.

1.2 Reporting Scope and Period

Reporting period: 2024.01.01 – 2024.12.31

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 1.0, 2024)
- 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.

Department	Sustainability Management Team, Young Poong
E-mail	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.

Company Name	Young Poong Corporation
Head Office	542 Gangnam-daero, Gangnam-gu, Seoul, Republic of Korea
Site	16 Seungbu-gil, Seokpo-myeon, Bonghwa-gun, Gyeongsangbuk-do, Republic of Korea (Young Poong Seokpo Smelter)
Business Type	Smelter (non-ferrous metals such as zinc and copper)
Reporting Entity	Young Poong Corporation and Seokpo Smelter operations
Covered Minerals	Zinc (CID005224), Copper (CID005289)
Products	High-purity electrolytic zinc ingot, composite zinc ingot, pure jumbo zinc ingot, alloy zinc ingot, copper cathode, sulfuric acid, etc.
Reporting Period	2024.01.01 – 2024.12.31

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): In CIQ Process; RMI and RMI-appointed audit(assessment body)
- CID005289 (Copper): In CIQ Process; RMI and RMI-appointed audit (assessment body)

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

YoungPoong began to establish a responsible mineral due diligence system in '24. In accordance with OECD Diligence Guidance and RMI's Global Responsible Sourcing Diligence Standard for Mineral Supply Chains manual, we have established responsible mineral policies and business processes, and we focus on ethically responsible mineral procurement and strengthening supply chain management.

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.
- **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.

3.1.2 Governance, Roles and Responsibilities

The responsible mineral due diligence management system began to establish a management system centered on the Raw Materials Team and Sustainability Management Team.

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.

- Senior Manager (Raw Materials Team): Oversees due diligence
- Raw Materials Team / Materials & Equipment Team: Supply chain mapping; risk information collection and evaluation; 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

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, training completion, and timeliness of reporting.

We are establishing a responsible mineral due diligence system. In 2024, we established responsible supply chain policies and partner behavior norms. In addition, by filling out a new KYC form, we began to collect data on the supply chain specifically, and established the CAHRAs procedure. We intend to minimize risks in the supply chain and realize responsible mineral procurement through continuous improvement of the system.

YoungPoong has established a "responsible mineral procurement policy" to source and block negative issues such as human rights and the environment, from mineral mining to transaction stages to the Company. We inform our suppliers in advance that on-site audits may allow us to check our policy compliance. In addition, if we refuse to do so, we will decide whether to trade after internal evaluation based on the company's verified supply chain policy or third-party certification data.

We have a management system to track a series of processes from mining to product manufacturing. In addition, we are asking you to fill out the Know Your Counterparty (KYC) questionnaire to collect information on the supply chain and identify CAHRAs. Through the KYC questionnaire, we check the supplier's basic information, address, country of origin, actual owner, misconduct, and the presence

of an internal control system. In addition, we receive a certificate of origin, delivery route of minerals, waybill, etc. to find out what activities the minerals have from the mine to us, and whether there are any unethical activities in between.

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 Jan 2024 to December 2024, 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

We are conducting training for related executives and employees to strengthen responsible mineral procurement and supply chain management.

Departments Trained	Target (persons)	Participants (persons)
Raw Materials Team; Sustainability Management Team;	8	8

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, origin evidence, transport/customs documents, transaction contracts, and management review minutes.

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 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 and ownership (including ultimate beneficial ownership).

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) In RMI Global Risk Map Tool classified as 0–1 Score

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.

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. If risks are confirmed, we establish and implement a mitigation plan.

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

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.

3.3.3 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.

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.

3.4.2 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.

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 publication of the first Liability Mineral Report in 2024, the company is establishing an internal system related to the procurement of Liability Mineral.

3.5.1 Key Achievements and Plan

During 2024, we are building a relevant system to ensure transparency in the responsible mineral supply chain. Responsible mineral procurement policy, supply chain ESG management policy, partner code of conduct have been established, and CAHRAs procedures have been established to apply to our systems to identify supply chains and evaluate risks.

To ensure transparency in the supply chain, we are checking the risks of the actual owners and beneficiaries of suppliers. In addition, we have conducted training on responsible minerals to the relevant departments related to the procurement of responsible minerals, and we are establishing an internal responsible minerals system by enacting policies.

Based on the company-wide interest and efforts, we achieved various achievements in 2024. Despite these efforts, high-risk factors in the supply chain are being identified and continuous improvement and management are needed. In our case, we registered as a member in RMI in 2025 and started the RMAP certification process. As we start the RMAP review, we will improve the internal system and strengthen employee training to ensure that the system and actual work process are consistent. Through continuous retraining for existing and new personnel, we will improve the capabilities of our employees and reflect them in our work. We will continue to implement risk mitigation strategies and continue to manage high-risk supply chain transactions, focusing on mitigating risk within our value chain.