YOUNGPOONG
Sustainability Report 2025

Putting the Environment First,
Building the Future Together



YOUNG
POONG

ABOUT THIS REPORT

Overview

This report is YOUNG POONG's third Sustainability Report, published to provide transparent disclosure of the company's sustainability management activities and performance. It presents YOUNG POONG's sustainability management activities and performance in accordance with global guidelines and reflects feedback from internal and external stakeholders. YOUNG POONG will continue to publish this report annually to actively communicate its commitment to and progress in sustainability management.

Reporting Period and Scope

The reporting period covered by this report is from January 1, 2025 to December 31, 2025, with some data including the company's activities and performance during the first half of 2026. Quantitative performance data includes results from the past three or more years to allow for year-over-year comparisons. The report primarily covers all domestic operations.

Reporting Principles and Standards

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, the global standards for sustainability reporting. It also reflects the sustainability disclosure standards of the International Sustainability Standards Board (ISSB), reporting on governance, strategy, risk management, metrics, and targets for key issues. Additionally, this report reflects the Sustainability Accounting Standards Board (SASB) standards in consideration of the company's industry characteristics and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Financial data in this report is based on consolidated financial statements prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS).

Third-Party Assurance

This report has undergone third-party assurance by an independent assurance organization, the Korean Foundation for Quality (KFQ), to enhance the accuracy and reliability of the reporting process and related information. The assurance engagement was conducted as a Type 2 assurance engagement with a moderate level of assurance. The assurance statement can be found in the "Third-Party Assurance Statement" section of this report.

Other Information

This report contains not only information regarding current and historical facts, but also forward-looking statements relating to future outlooks, plans, objectives, and strategies. These statements are based on the business environment, industry trends, and other relevant information available as of the publication date of this report, and actual results may differ from those expressed or implied in such statements due to various factors, including changes in economic and market conditions, regulatory and policy developments, technological advancements, the availability of raw materials, and evolving stakeholder expectations. Accordingly, the forward-looking statements in this report involve uncertainties, and, except as required by applicable laws and regulations, the company does not assume any obligation to revise or update any forward-looking statements in this report to reflect new information or future events. Please note that this report has been prepared solely to facilitate communication with stakeholders and does not constitute a legally binding document.

Contact Information

This report can be viewed and downloaded from the YOUNG POONG website. For further inquiries or information about the report, please contact the YOUNG POONG Sustainability Management Team using the contact details below.

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For more information on YOUNG POONG Co., Ltd., please visit http://www.ypzinc.co.kr.



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COVER STORY

This report incorporates design elements from award-winning works submitted by residents of Seokpo Village into its section divider pages, visually conveying YOUNG POONG's commitment to engagement and shared growth with the local community.

INTERACTIVE GUIDE

The YOUNG POONG 2025 Sustainability Report has been produced as an interactive PDF that includes a navigation feature allowing readers to move directly to the relevant pages within the report.

Go to Cover Page Go to Table of Contents Go to Previous View Print Current Page

SECTION 01.

INTRODUCTION

05 CEO Message

06 Company Overview

15 Our Future

석 양 너머에 계신 아버지

포 동포동한 아들을 얼마 전 낳았어요

웃 는 모습이 이쁜 이 아기를 보니

음~ 아버지가 보셨으면 정말 좋아하셨겠다 하며 생각해봅니다.

꽃 동산에서 행복하시죠? 많이 보고 싶습니다.

| 봉화 석포마을 공모전 5행시 부문 금상 |

CEO Message

Dear Valued Stakeholders,

YOUNG POONG stands at a pivotal moment of transformation, one that calls for fundamental changes in the way its businesses operate.

In particular, we recognize that environmental issues are no longer optional considerations but critical challenges that directly affect the company's long-term sustainability and viability.

In this regard, YOUNG POONG is driving its transition toward an environmentally responsible smelter through continuous environmental investments and systematic efforts to comply with increasingly stringent environmental regulations. In 2025, the company completed the construction of the sixth oxygen plant at its third production facility, further strengthening its air pollution control capabilities, and we are currently advancing the development of renewable energy infrastructure, including wind and solar power generation facilities. As a result of these efforts, water quality at monitoring points near YOUNG POONG's operations has consistently remained at Grade I or Grade II under Korea's water quality classification system in recent years, and signs of ecological recovery have been observed in areas surrounding the Nakdong River.

From a social responsibility perspective, YOUNG POONG has established safety, human rights, and responsible supply chain management as its core values.

YOUNG POONG places the highest priority on safety and operates a CEO-led occupational health and safety governance system, while continuously strengthening its responsible minerals sourcing system across the supply chain. As a result, YOUNG POONG obtained a Responsible Minerals Assurance Process (RMAP) certification in April 2026, establishing a supply chain management system that meets globally recognized standards. In addition, the company is fully committed to fulfilling its social responsibilities by fostering a workplace culture built on respect for employees, diversity and inclusion, and the promotion of sustainable partnerships with its business partners.

From a governance perspective, YOUNG POONG is enhancing transparency and accountability throughout its business operations.

YOUNG POONG manages key ESG issues under the oversight of its board of directors and continues to improve its governance structure through initiatives such as the cancellation of treasury shares, stock splits, and the appointment of independent directors recommended by minority shareholders. YOUNG POONG also strives to ensure transparent disclosure of its key policies and information while strengthening the roles and expertise of its board of directors to establish a responsible decision-making framework.

YOUNG POONG will continue to embed the ESG principles throughout its business operations and further strengthen its sustainability management framework across environmental, social, and governance dimensions. Ultimately, YOUNG POONG will evolve beyond a zinc producer into a 'sustainable smelter' that promotes resource circulation and responsibly supplies essential materials for future industries.

Thank you.

> YOUNG POONG will continue to embed ESG principles throughout its business operations and further strengthen its sustainability management framework across environmental, social, and governance dimensions

CEO **Ki Ho Kim** 김기호

Company Overview

Company Overview

YOUNG POONG is an integrated non-ferrous metals smelting company producing zinc and a broad range of valuable metals, backed by one of Korea's premier smelting capabilities and globally recognized product quality. Driven by continuous technological innovation and ongoing facility upgrades, the company contributes to the nation's industrial progress while continuing to pursue responsible growth for a sustainable future.

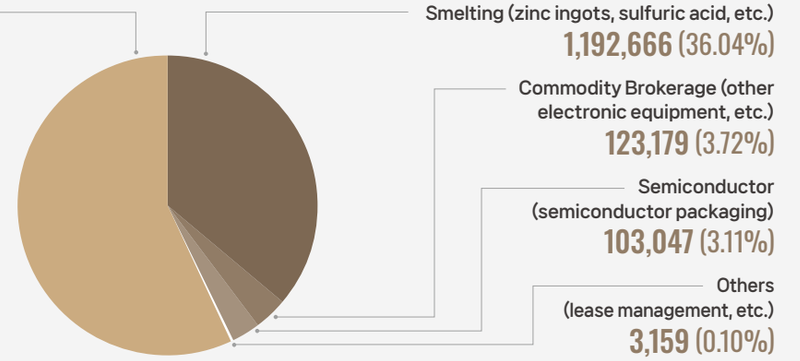
Corporate Overview

Company Name	YOUNG POONG Co., Ltd.
Year Founded	1949
CEO	Ki Ho Kim
Number of Employees	782[1]
Headquarters Address	YOUNG POONG Building, 542 Gangnam-daero, Gangnam-gu, Seoul, Korea
Smelter Address	16, Seungbu-gil, Seokpo-myeon, Bonghwa-gun, Gyeongsangbuk-do, Korea
Principal Business	Zinc and metal smelting, refining, and alloy manufacturing
Products	High-purity zinc ingots, pure jumbo zinc ingots, CGG, Zinc Alloy, sulfuric acid, Precious metals Con'c, electrolytic copper, silver by-products

1) As of December 2025

Business Performance

(Unit: KRW million)



1) YOUNG POONG consolidated revenue

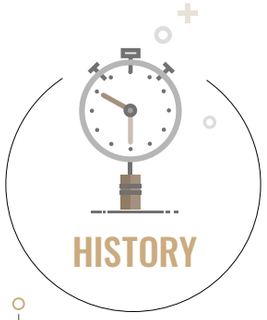
Management Philosophy and Strategy



Company Overview

History

Founded in 1949, YOUNG POONG Co., Ltd. has been at the forefront of Korea's non-ferrous metals industry through its zinc smelting operations centered at the Sukpo Smelter. Leveraging its smelting expertise and manufacturing excellence, the company has developed an integrated production system for high-purity zinc and valuable metals. YOUNG POONG is pursuing sustainable growth by strengthening its environmental and safety management systems and advancing resource circularity initiatives.



Foundation and Early Growth
1949-1969

1949.11
Established a partnership company, YOUNG POONG Enterprise

1952.2 ~ 1959.4
Developed a mine through Hanil Mineral Research Institute.

1955.07
Relocated headquarters to 33 Seorin-dong, Jongno-gu, Seoul, Korea.

1963.11
Constructed and completed YOUNG POONG's first office building in Seorin-dong.

1968.07
Commenced construction of the Sukpo Smelter, designed and operated with technical support from Toho Zinc of Japan.

1969.01
Established the Mission Statement: Integrity, Diligence, Humanity

Leading the Mining and Non-Ferrous Metals Industry
1970-1989

1970.10
Completed the Sukpo Smelter of YOUNG POONG Trading Co., Ltd. (Annual production capacity: 9,000 tons of zinc ingots, 22,000 tons of sulfuric acid)

1972.06
Merged with Gyeongin Iron Mine Co., Ltd.

1974.04
Selected by the Korean government to develop a zinc smelter.

1974.08
Established a sister company, Korea Zinc Co., Ltd.

1976.06
Completed IPO of YOUNG POONG Trading Co., Ltd.

1978.01
Changed the business name from YOUNG POONG Trading Co., Ltd. to YOUNG POONG Co., Ltd.

1979.01
Established YOUNG POONG JAPAN

1980.06
Established the YOUNG POONG Cultural Foundation to promote corporate social responsibility

1987.05
Established R&D Center in the Sukpo smelter

1988.12
Registered with the London Metal Exchange (LME)

Business Diversification and Entry into Electronics
1990-2009

1992.05
Completed Construction of Seorin Corporate Office and Established YOUNG POONG Books Co., Ltd.

1995.11
Diversified business portfolio by acquiring YOUNG POONG Electronics Co., Ltd

1997.01
Secured an annual production capacity of 120,000 tons of zinc ingots through process improvement.

2000.04
Acquired Signetics Co., Ltd.

2002.01
Secured an annual production capacity of 200,000 tons of zinc ingots through process improvement.

2004.10
Completed a modernization project that increased annual zinc ingot production capacity to 280,000 tons

2005.02
Acquired Korea Circuit Co., Ltd.

2007.03
Completed the construction of Fumer Plant 1 (A dry zinc residue processing facility for recovering valuable metals, including zinc, from by-products generated during the zinc refining process).

2009.10
Completed the construction of Fumer Plant 2.

Strengthening Global Competitiveness
2010-2019

2011.06
Secured annual production capacity of 360,000 tons of zinc ingots by improving the process of the Sukpo Smelter

2012.04
Completed the Indium Plant in the Sukpo Smelter

2013.01
Established three additional employee apartment buildings in the Sukpo Smelter Complex.

2014.08
Completed the construction of an electrolytic copper cathode plant in the Sukpo Smelter.

2014.10
Received the Grand Prize at the Korea Financial Management Awards.

2015.05
Completed the construction of Fumer Plant 3

2017.07
Completed the construction of ESS 30MWh

2017.11
Completed the construction of a precious metal plant in the Sukpo smelter.

2019.01
Completed the construction of ESS 20MWh.

Responsible Growth, Sustainable Future
2020-PRESENT

2021.06
Commenced operation of the world's first zero liquid discharge (ZLD) system at a smelter.

2022.04
Opened the YOUNG POONG Green Metal Campus.

2022.09
Completed the installation of the world's longest impermeable liner system.

2022.09
Completed the construction of a pyrometallurgical pilot plant for secondary battery recycling.

2022.12
Received the Trade, Industry, and Energy Minister Prize in the 29th Corporate Innovation Award.

2023.12
Completed the construction of a wet smelter pilot plant for secondary battery recycling.

2025.10
Completed the installation of an impermeable liner system for the entire sections of the Sukpo Smelter

2026.04
Obtained the official RMAP certification for the Sukpo Smelter

Company Overview

Global Network

Leveraging our unrivaled smelting technology, YOUNG POONG has established an extensive network across major countries worldwide. As a leader in domestic industries, the company is constantly strengthening its global presence to enhance its competitiveness. YOUNG POONG has established its key export bases across North America, China, India, Vietnam, Bangladesh, Türkiye, and the Middle East, operating a total of 110 affiliated entities, including 29 in Korea and 81 overseas. The company's global network of subsidiaries serves as a strategic platform for its global business operations.



Domestic Operations

HQ	YOUNG POONG Co., Ltd.	Gangnam-gu, Seoul
Plant	Sukpo Smelter	Bonghwa-gun, Gyeongsangbuk-do
R&D Center	Green Metal Campus	Ansan-si, Gyeonggi-do
Office	Donghae Office	Donghae-si, Gangwon-do

Major Subsidiaries

YOUNG POONG Electronics Co., Ltd.	Ansan-si, Gyeonggi-do
Signetics Co., Ltd.	Paju-si, Gyeonggi-do
Korea Circuit Co., Ltd.	Ansan-si, Gyeonggi-do
Interflex Co., Ltd.	Ansan-si, Gyeonggi-do
Terranix Co., Ltd.	Ansan-si, Gyeonggi-do
Interflex Vina Co., Ltd.	Vietnam
YOUNG POONG Electronics Vina Co., Ltd.	Vietnam
YOUNG POONG JAPAN	Japan

Domestic and Overseas Affiliates

Domestic Affiliates **29**

Overseas Affiliates **81**

Company Overview

Key Products and Technologies

YOUNG POONG's Sukpo Smelter has established one of Korea's highest-quality non-ferrous metal production systems through continuous investment in facility expansion and adoption of new technologies. Since 1988, YOUNG POONG's superior-quality non-ferrous metals have been registered on the London Metal Exchange (LME), gaining global recognition for their excellence in the world market.

High-Purity Electrolytic Zinc Ingot

YOUNG POONG provides top-quality zinc ingots with a purity of 99.995% or higher, registered on the London Metal Exchange (LME). Produced using world-leading technology, the product's superior quality is widely recognized.

Applications

- Hot Dip Galvanizing
- Die Casting Alloys
- Electroplating Anodes
- Photo Engraving Plates
- Zinc Oxide
- Zinc Plate
- Sacrificial Anodes

2025 Production Volume (Tons)

113,749

Zinc Alloy Ingot

Zinc alloy ingots are used in the production of die-cast products.

Applications

- Automobiles
- Zippers
- Electric Devices
- Toys and Leisure Goods
- Home Appliances
- Industrial Machinery and Tools

2025 Production Volume (Tons)

18,889

Pure Jumbo Zinc Ingot

Pure jumbo zinc ingots are produced in the form of a SHG jumbo block. They can be manufactured with various metal components or customized shapes according to customer requirements.

Applications

- Hot Dip Galvanizing

2025 Production Volume (Tons)

14,920

Combined Zinc Ingot

Combined zinc ingots are produced in jumbo block form. They can be manufactured with various metal components or customized shapes according to customer requirements.

Applications

- Continuous Galvanizing, Hot Dip Galvanizing

2025 Production Volume (Tons)

36,248

Company Overview

Key Products and Technologies

Sulfuric Acid

YOUNG POONG provides high-purity sulfuric acid with a concentration of 98% or higher. Sulfuric acid is widely used across various industrial sectors, including metal smelting, textiles, and paper manufacturing.

Applications

- Inorganic Chemicals
- Metal Refining
- Steel Industry
- Spinning and Weaving
- Chemical & Fertilizer Industry
- Fiber Industry
- Paper Manufacturing Industry

2025 Production Volume (Tons)

318,320

Electrolytic Copper

YOUNG POONG's electrolytic copper features a high purity of 99.9935% and excellent electrical conductivity, workability, and corrosion resistance. It is used in a wide range of applications including semiconductor components, cables, PCB substrates, communication and electronic parts, piping materials, alloy materials, and construction materials.

Applications

- Brass and Bronze
- Plates
- Rods and Pipes

2025 Production Volume (Tons)

1,197

Silver By-product

Silver by-product can be processed to create refined precious metal silver products. Silver (Ag) is the second most ductile and malleable metal after gold (Au). Due to its excellent thermal and electrical conductivity, it is widely used in various industrial applications.

Applications

- Photographic Materials
- Sterling Ware
- Electroplated Ware
- Catalysts
- Jewelry

2025 Production Volume (Tons)

12,257

Company Overview

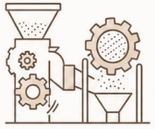
Business Model

YOUNG POONG operates a value chain that integrates sustainability and responsible management into every step of the process, from the procurement of raw materials through smelting and refining to product supply. Raw materials secured through YOUNG POONG's global supply chain are transformed into high-purity zinc, a wide range of valuable metals, and by-products through the company's smelting and refining processes, and these products are then supplied to a diverse range of industries, contributing to enhanced material competitiveness across the industrial value chain.

UPSTREAM



1. Resource Extraction and Trading
YOUNG POONG sources Zinc Concentrate from global mining companies, primarily importing from Mexico, Australia, etc.



2. Raw Material Processing
YOUNG POONG carries out pre-treatment processes to optimize the Zinc Concentrate and remove impurities, thereby improving smelting efficiency.



3. Raw Material Transportation
YOUNG POONG transports Zinc Concentrates to its smelter via maritime and land transportation networks.

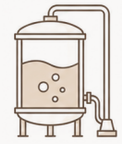
YOUNG POONG sources zinc-containing concentrates through its global supply chain and operates a responsible procurement system that takes into account risks associated with human rights, the environment, and ethics from the raw material sourcing stage. The company also considers compliance with laws and regulations on greenhouse gas emissions reduction and the transportation of hazardous materials, etc. during the processing and transportation of raw materials.

OUR OPERATIONS

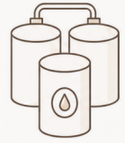
4. Smelting and Refining
Concentrates are refined to produce high-value Zinc, precious metals, and by-products through a multi-stage process.



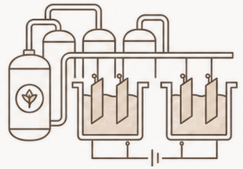
4-1. Roasting Process
Zinc Concentrates are heated at high temperatures to convert them into calcine with sulfuric acid produced as a by-product.



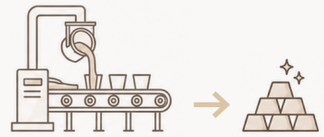
4-2. Leaching Process
Metals in Zinc Concentrates are leached into solution to extract target metals.



4-3. Purification Process
Impurities in metal solution are removed, leaving only high purity metal ions.



4-4. Electrolysis Process
Pure metal is deposited on the cathode through electrochemical processes.



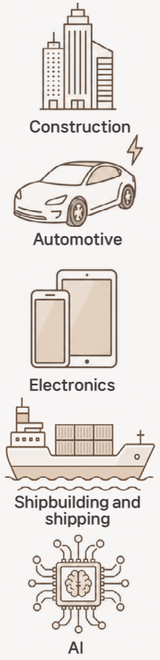
4-5. Melting and Casting Process
Metals are melted and cast into zinc ingot (pure zinc, combined zinc, zinc alloy) forms.

Zinc Concentrates are converted into high-purity zinc ingots and a variety of by-products through a multi-stage smelting and refining process, including roasting, leaching/purification, electrolysis, and casting. Throughout this process, YOUNG POONG continues to strengthen its sustainable production system through the operation of a Zero Liquid Discharge (ZLD) system, production facility modernization, and transitioning to low-carbon manufacturing processes.

DOWNSTREAM



5. Distribution and Sales
YOUNG POONG supplies high-value zinc products and by-products to its customers at home and abroad.



Finished zinc products are supplied to a wide range of industries, including construction, automotive, electronics, shipbuilding and shipping, semiconductor, and AI digital infrastructure, and their by-products such as sulfuric acid and precious metals are also utilized for diverse industrial applications. To satisfy its customers' growing demands for sustainability, YOUNG POONG continues strengthening its product stewardship and its environmental information disclosure system, contributing to the creation of sustainable values for industries.

Company Overview

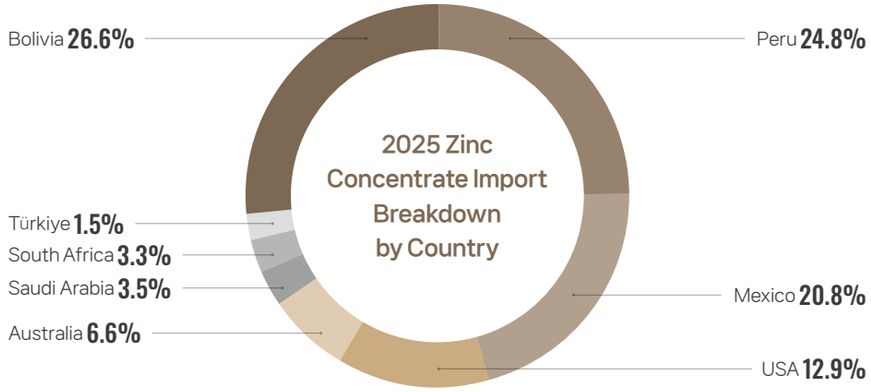
Business Model

Upstream: Responsible Sourcing of Raw Materials

YOUNG POONG has established a stable supply base for Zinc Concentrate through a diversified global supply chain and has implemented a management system that takes into account human rights, environmental, and ethical risks from the procurement stage. In addition, the company continues to enhance the transparency and sustainability of its sourcing practices by implementing a responsible minerals sourcing policy and conducting supply chain due diligence.



Global Zinc Concentrate Import Structure



Risk Management through Supply Diversification

YOUNG POONG has imported Zinc Concentrates from various countries, including Mexico, Australia, Bolivia, Peru, and the United States, securing a total of 306,224 metric tons of Zinc Concentrates as of 2025. By diversifying its mineral sourcing across multiple regions, YOUNG POONG minimizes geopolitical risks and supply chain disruptions.

Principle of Responsible Sourcing and Supply Chain Due Diligence

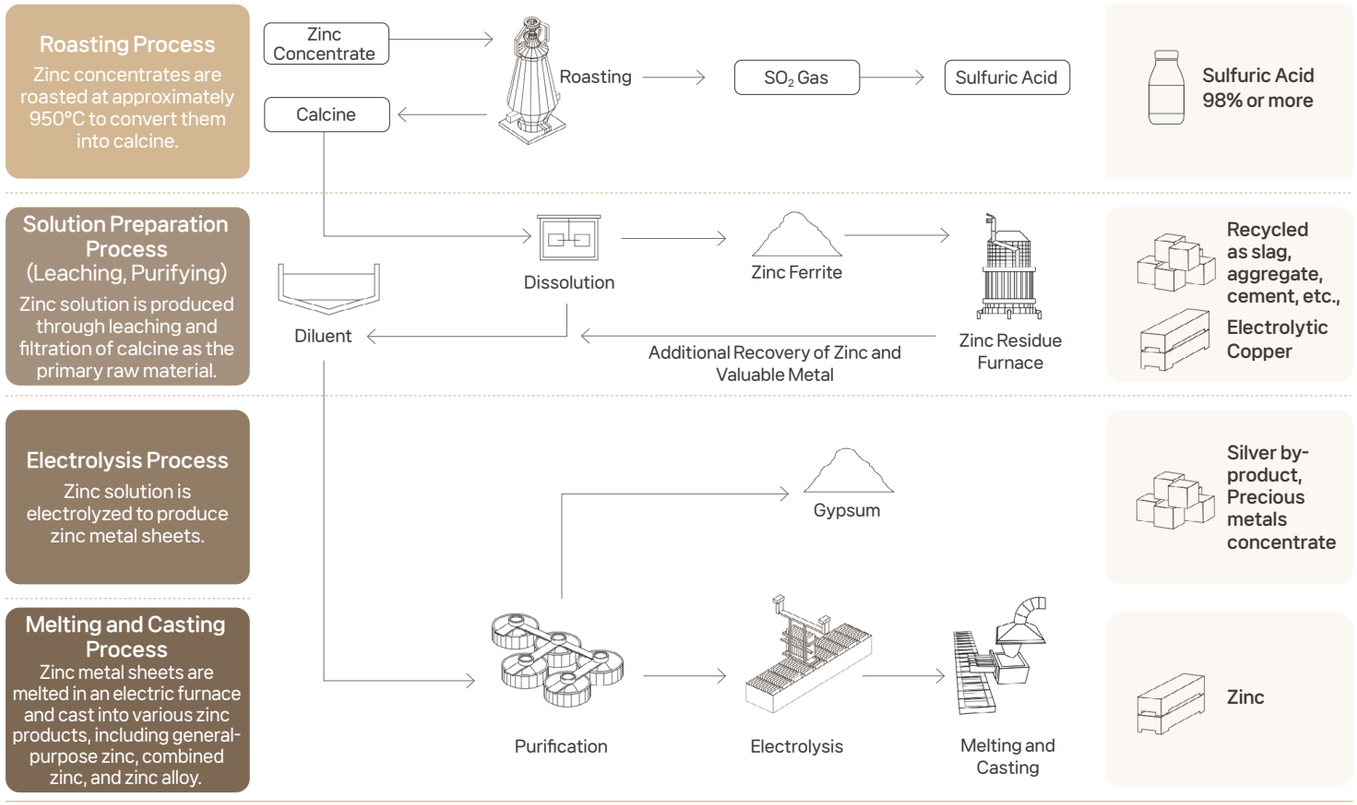
YOUNG POONG implements a responsible minerals sourcing policy aligned with internationally recognized standards, including the OECD Due Diligence Guidance, Responsible Minerals Initiative (RMI) Due Diligence Standards, and the Extractive Industries Transparency Initiative (EITI). The company strictly prohibits the use of minerals associated with significant risks, including forced labor, support for armed groups, and misrepresentation of the country of origin, and requires its suppliers to adhere to its responsible sourcing principles. In addition, YOUNG POONG conducts a five-step supply chain due diligence process to assess potential risks and constantly monitors the implementation of measures for improvement based on identified risks.

Company Overview

Business Model

Own Operation: Advanced Smelting and Resource Circulation-Centered Production System

YOUNG POONG transforms responsibly sourced Zinc Concentrates into high-purity zinc and various valuable metals and by-products through multi-stage smelting and refining processes. The company operates a sustainable production system in consideration of matters relating to the environment, safety, and quality at every stage of its manufacturing process. In addition, the company contributes to responsible production and sustainable value creation by continuously improving resource efficiency, preventing environmental pollution, strengthening occupational safety, and ensuring product quality.



Product Manufacturing & Resource Recovery System

YOUNG POONG's main product, Zinc Ingot, is produced through a four-step process consisting of roasting, leaching/purification, electrolysis and casting. This ultimately yields high-purity zinc ingots with a purity of 99.995%. Additionally, sulfuric acid with a purity of 98% or higher is simultaneously produced during this process. By applying our environmentally friendly pyrometallurgical process, valuable metals such as copper and silver contained in by-products generated during the refining process are efficiently recovered and converted back into products. Furthermore, the final by-product remaining after dry treatment, known as clean slag, is recycled as a raw material for cement, thereby minimizing waste generation and contributing to resource circulation.

Environmental & Safety Management System

YOUNG POONG operates a comprehensive environmental and safety management system across its production processes, including initiatives for the reduction of SO_2 emissions, wastewater treatment, safety management of hazardous chemicals, and energy saving. In particular, the company reduces the environmental impact of its production processes through its zero liquid discharge (ZLD) system to establish an advanced sustainable manufacturing system.

Annual Zinc Ingot Production Capacity of YOUNG POONG Sukpo Smelter	Smart Factory Process System	Top Quality Zinc Refining Yield and Purity
40 tons	Automated	99.995%

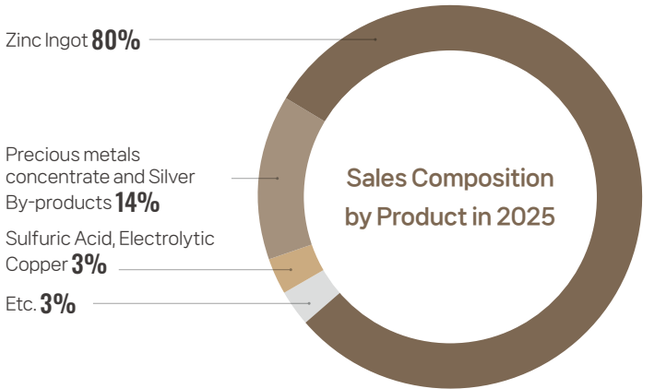
Company Overview

Business Model

Downstream: Delivering High-Value-Add Products that Connect the Industrial Ecosystem

YOUNG POONG supplies leading domestic and global steel manufacturers, electronic component producers, automotive parts companies, and others with core materials, supported by its diverse product portfolio consisting of zinc ingots, sulfuric acid, electrolytic copper, and silver by-products. YOUNG POONG's products ultimately support the productivity and quality competitiveness of a wide range of industries, including construction, automotive, electronics, shipbuilding, shipping and AI industries. YOUNG POONG continues to enhance the sustainable value it delivers by implementing product-specific supply strategies tailored to meet customer needs, satisfying regional quality and environmental certification requirements, and maintaining its product stewardship.

Product Portfolio

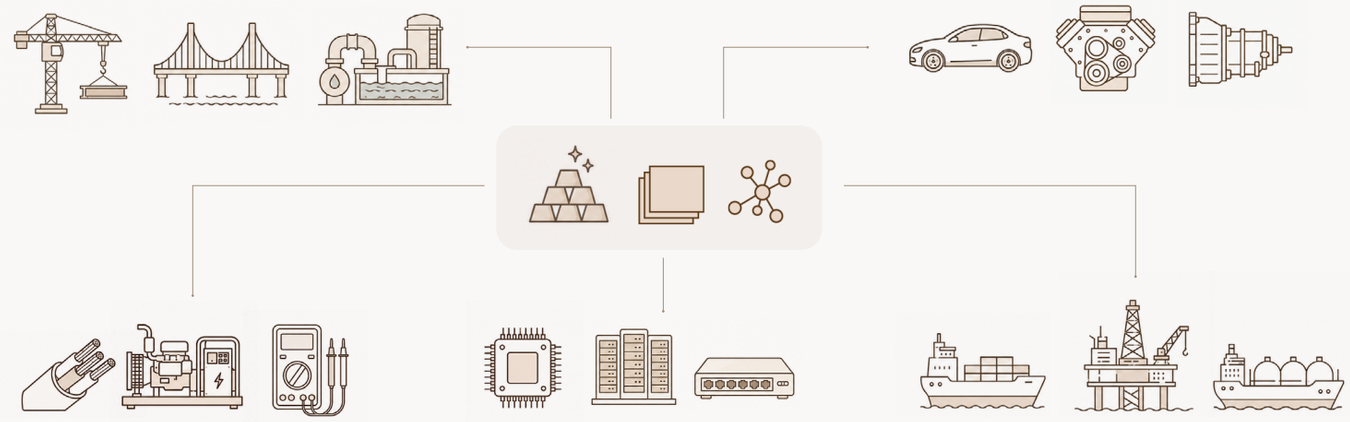


Product Category	Key Applications
Zinc Ingot	Materials for galvanization, rolling, alloy production, etc.
Sulfuric Acid	Inorganic chemical products, metal smelting, fertilizer manufacturing, etc.
Electrolytic Copper	Cable, semiconductor components, piping materials, etc.
Silver By-Product	Catalyst, silverware, jewelry, etc.

End-User Industry

Construction/Infrastructure
Contributes to improving the quality and durability of structural steel and materials used in power and piping systems, enhancing the construction reliability and long-term usability of infrastructure and buildings.

Automotive/Mobility
Contributes to improving the durability, quality, stability, and performance of vehicle bodies and components, boosting competitiveness across the automotive industry.



Electronics/Electricity
Enhances the corrosion resistance and quality stability of materials used in electronic and electrical products, contributing to the enhancement of product competitiveness across the industry.

AI/Digital Infrastructure
Supports the performance and reliability of electronic components and power connectivity infrastructure, contributing to the enhancement of the quality competitiveness of AI-driven digital infrastructure.

Shipbuilding/Marine
Contributes to improving the corrosion resistance and maintenance efficiency of ships and offshore structures, strengthening the foundation for stable operations across the marine industry.

Our Future

Overcoming Challenges Towards Structural Transformation

"We believe that continuing to invest in the environment regardless of our financial performance is the only path to becoming a sustainable company."

Comprehensive Environmental Investment, Establishment of Organizational Prevention System

YOUNG POONG has long recognized the importance of environmental management through its extensive business experience in the smelting industry. Over time, the company also realized the inherent limitations of conventional environmental management, which largely relied on reactive measures after environmental issues had already occurred. To address this challenge, YOUNG POONG attempted to transform its environmental management system from a simple monitoring-oriented system to a preventive management system designed to eliminate pollution at its source. As part of this transformation, the company has made comprehensive environmental investments across its entire process to fundamentally eliminate environmental risks. YOUNG POONG's key initiatives include the establishment of a zero liquid discharge (ZLD) system that eliminates wastewater discharge, ozone treatment facilities, and oxygen plants to reduce nitrogen oxide (NOx) emissions, and a telemonitoring system (TMS) for real-time emissions monitoring. These investments have been made not just for regulatory compliance but also to mark the first step toward transforming the company's environmental management paradigm.

Results of Investment

As a result of its continuous environmental investments and structural improvements, YOUNG POONG has achieved meaningful environmental outcomes. Signs of ecosystem recovery have emerged, including the confirmed presence of Eurasian otters, demonstrating that the company's environmental management has evolved beyond simple pollution reduction towards coexistence with nature.



Overview of the Smelter



Control Room

Four Core Environmental Facilities

Zero Liquid Discharge System

Through an atmospheric evaporation and concentration process, all process wastewater is recovered and recycled to eliminate external wastewater discharge. The system has been operating reliably since its introduction in 2021, and the patent registration of the related technology was completed in 2025.

Underground Water Containment System

An impermeable barrier and underground water collection facilities installed along approximately 2.5 km around the smelter site structurally prevent contaminated underground water from spreading beyond the site. An average of 450 tons of groundwater per day, increasing to up to 1,200 tons during the rainy season, is pumped, purified, and reused in the production process.

Air Pollution Control Facilities

With the completion of the sixth oxygen plant in 2025, the company supplies up to 116 tons of high-purity oxygen on a daily basis. This along with the ozone combined treatment system, nitrogen oxide (NOx) emissions are reduced effectively. In addition, telemonitoring systems (TMS) has been installed at eight major stacks to provide the real-time emissions monitoring.

Stormwater Management Facilities

YOUNG POONG has established initial stormwater storage facilities capable of retaining up to 80 mm of rainfall, significantly exceeding the statutory requirement of 5 mm. Through such facilities, captured stormwater is reused to improve water-use efficiency and manage water resource risks.

Key Environmental Performance Indicators

Water quality grades at Seokpo monitoring points 2 to 4 **Grade 1~2 Water Quality** Consistently maintained over recent years	Cadmium, arsenic, lead, mercury, etc. **ND** Below the quantitative detection limits for major heavy metals	Aquatic ecosystem indicator **Eurasian Otter** endangered species & natural monument
External wastewater discharge **ZERO** ZLD system operation	Annual industrial water savings **730,000m³** (As of 2025) Effects of reuse through ZLD	Real-time air/water quality monitoring **24Hr** Operation of TMS and independent measuring stations

Our Future

Overcoming Challenges Towards Structural Transformation

Triple Transformation in Production, Environment, and Safety Toward Sustainable Smelting

In 2025, YOUNG POONG faced a significant challenge with the suspension of its business operations. Instead of viewing this period of business suspension simply as a period of crisis caused by a production shutdown, the company regarded it as an opportunity to drive management innovation and improve its business fundamentals towards a sustainable future. Guided by a strategic commitment to long-term competitiveness over short-term financial performance, YOUNG POONG continued to make environmental investments throughout the suspension period, focusing on structural transformation. As a result, the company established a 'triple transformation' framework that ensures the seamless integration of production, environmental management, and safety. Comprehensive inspections and replacements of aging production facilities have led to greater production yields, while reorganization of operational processes maximized efficiency across the company's production system. At the same time, employees participated in overseas technical training programs to acquire advanced technologies, and expanded safety training programs helped embed a people-centered safety culture within the company. Such initiatives further strengthened YOUNG POONG's integrated foundation for sustainable production by enhancing its facilities, business operations, and workforce capability.

Rigorous Equipment Inspection & Maintenance

Improvement of production yields and maximization of efficiency through more intensive equipment inspections

- Improvement of production yields through intensive inspections and replacements of aging equipment
- Maximization of process efficiency and redesign of the operation system

Enhancement of Environmental and Safety Facilities

Improvement of environmental and safety facilities to create a safe workplace

- Creation of a sound working environment for the Sukpo Smelter through the improvement of internal and external business environments of plants
- Establishment of a prevention-oriented safe workplace

Expanded Overseas Education and Training Programs

Promotion of the improvement of equipment through overseas training programs and expansion of education programs

- Acquisition of new technologies through employee overseas training programs
- Fostering of a safe production culture through increased hours of training and education programs

The Next Question Towards 2030: A Future Where Nature and Industry Coexist

YOUNG POONG is reshaping its business operations by overcoming crises faced by the company and strengthening its competitiveness through its overhauled business structure. The company is making the most of its capabilities to satisfy the requirements to obtain the Integrated Environmental Permit for the Sukpo Smelter and perform environmental improvements with the faithful implementation of permit conditions as its highest priority. As part of this commitment, YOUNG POONG has continued to invest in air quality, water quality, occupational health and safety, and other initiatives, with its cumulative environmental investment amounting to KRW 538.5 billion as of 2025. YOUNG POONG currently faces a new challenge, which is not simply how to reduce pollution but how to create a sustainable structure in which nature and industry can coexist. The company's answer to this challenge is 'coexistence through structural transformation' beyond 'improvement through investment.' With the goal of becoming a leading environmental company by 2030, YOUNG POONG will continue its journey toward achieving a future built on harmony with nature while maintaining its fundamental competitiveness in the smelting industry.

2025 YOUNG POONG ESG Highlights

Climate Change Response across All Value Chains
- Establishment of a supply chain greenhouse gas inventory management system including Scope 3 emissions
- Targeting 11.4% reduction by 2030 → 60% reduction by 2040 → Carbon neutrality by 2050

Process Efficiency Optimization and Portfolio Innovation
- Product diversification and greater profitability through by-products reprocessing
- Implementation of high-yield management plans for each unit process and metal
- Expansion of the sulfuric acid logistics network, and production of additional products

Ecosystem Restoration through Eco-Friendly Moss Technology
- Partnership with a specialized moss spore cultivation company to pursue the restoration of the soil ecosystem surrounding the smelter
- Recovery of regional ecosystems through forest restoration projects

AI-Powered Zero Accident Workplace
- Real-time hazard detection through AI-integrated CCTV systems
- Introduction of Human-in-the-Loop process in which the final decision is made by humans after initial detection by AI
- Establishment of an active warning system directly connected to on-site equipment

Sustainable Supply Chain Management
- Acquisition of the RMAP (Responsible Minerals Assurance Process) certification administered by the Responsible Mineral Initiative (RMI) (April 2026)
- Establishment of a transparent supply chain through integration with automated LME Passport (eCOA) API

Enhancement of ESG Policies
- Completion of the establishment and revision of the environmental management, biodiversity, human rights management, and health and safety management policies
- Establishment of a proactive customer due diligence response system

SECTION 02.

ESG MANAGEMENT

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20 Double Materiality Assessment

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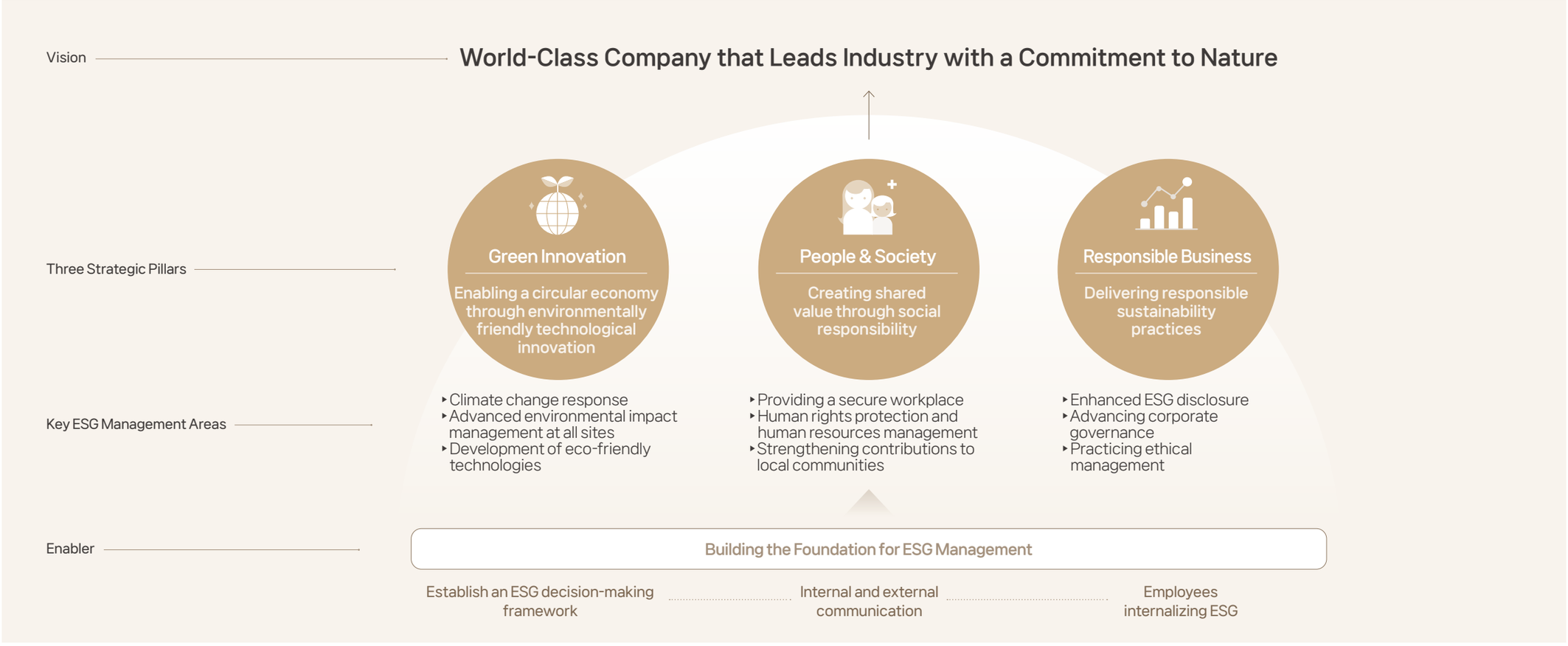
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ESG Governance & Strategy

ESG Implementation Strategy

ESG Management Strategy

Under the vision of becoming a 'World-Class Company that Leads Industry with a Commitment to Nature,' YOUNG POONG has established an ESG management framework centered on three key strategic directions: 'Green Innovation', 'People & Society', and 'Responsible Business'. The company has identified priority management areas for each strategic direction to systematically implement detailed ESG tasks.



ESG Governance & Strategy

ESG Governance

Sustainability Management Governance System

YOUNG POONG operates an ESG governance system consisting of the Board of Directors, the ESG Committee, and working-level organizations to ensure the systematic implementation and responsible decision-making of sustainability management activities.

Board of Directors

The Board of Directors serves as YOUNG POONG's highest decision-making body responsible for overseeing the direction of sustainability management activities and key ESG matters. The Board of Directors regularly receives reports on major ESG initiatives, including climate change response, carbon neutrality, environmental management, occupational health and safety, and supply chain management. It reviews key ESG policies and implementation plans and makes decisions in alignment with the company's mid-to long-term sustainability management strategies.

ESG Committee

YOUNG POONG operates an internal ESG Committee to systematically manage key ESG issues and strengthen its sustainability management practices. The ESG Committee is chaired by the Chief Executive Officer and comprises the executives responsible for major ESG functions, including sustainability management, planning, human resources and general affairs, safety, and environmental management. The ESG Committee meets on a quarterly basis to regularly review key performance outcomes, implementation plans, and risk management status across all ESG areas. Based on these reviews, the ESG Committee discusses the company's ESG strategies and policy direction. The committee also identifies action items and promotes improvement initiatives for key issues such as climate change response, supply chain management, community engagement, and the enhancement of occupational health and safety conditions. The ESG Committee also reviews major ESG matters and relevant issues to support the Board of Directors' decision-making process, and reports the results of significant discussions to the Board of Directors, serving as a preliminary review body for ESG-related management decision-making processes.

Sustainability Management Team

The Sustainability Management Team of YOUNG POONG serves as the working-level organization responsible for overseeing, executing, and managing the company's ESG activities and strategies. The team integrates and manages sustainability management initiatives and performance at the company level and works closely with other divisions and teams to systematically address key ESG issues, including environmental management, occupational health and safety, and supply chain management. The Sustainability Management Team also supports the effective establishment and operation of the ESG management system for the company as a whole.

Board of Directors' Meeting

Date	Agenda	Result
2025.11.05	· Report on the results of double materiality assessment · Report on the results of biodiversity analysis · Report on the establishment of the ESG policy	Reported

ESG Committee Meeting

Category	Date	Date
1st Quarter	2025.03.31	· Report on key activities and performance in the first quarter of 2025 · Establishment of the occupational health and safety management policy and community engagement policy
2nd Quarter	2025.06.19	· Report on key activities and performance in the 2nd quarter of 2025 · Establishment of the diversity/equity/inclusion policy · Establishment of the supply chain ESG management policy and Partners Code of Conduct
3rd Quarter	2025.09.18	· Report on key activities and performance in the 3rd quarter of 2025 · RMAP certification status · Report on the results of double materiality assessment
4th Quarter	2025.12.22	· Report on key activities and performance in the 4th quarter of 2025

ESG Policies Overview

YOUNG POONG continuously establishes, amends, and systematically manages its policies and guidelines by reflecting key issues identified through its ongoing engagement with various stakeholders.

YOUNG POONG ESG Policy

Environment	Environmental Management Policy	Link
	Biodiversity Protection Policy	Link
	Supply Chain ESG Management Policy	Link
	Responsible Minerals Sourcing Policy	Link
Society	Risk Assessment and Management Policy	Link
	Occupational Health and Safety Management Policy	Link
	Human Rights Management Policy	Link
	Human Rights Management Policy Guidelines	Link
	Community Engagement Policy	Link
Governance	Anti-Corruption Policy	Link
	Code of Ethics	Link
	Code of Ethics Implementation Guidelines	Link

Management System Certification

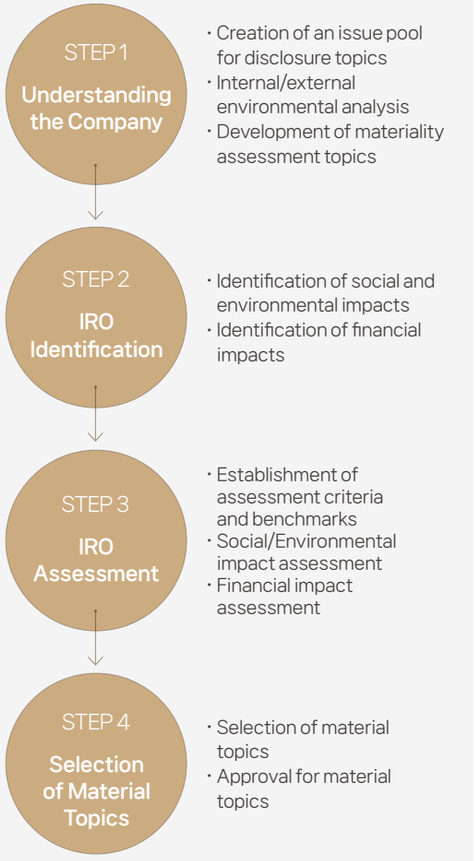
Area	Name	Period	Scope
Environment	Environmental Management System (ISO14001:2015)	2016.04.20-2027.04.22	YOUNG POONG HQ, YOUNG POONG Sukpo Smelter
Quality	Quality Management System (ISO9001:2015)	2016.04.25-2027.04.22	YOUNG POONG HQ, YOUNG POONG Sukpo Smelter
Safety and Health	Safety and Health Management System (ISO 45001:2018)	2025.02.11-2028.02.10	YOUNG POONG Sukpo Smelter
Information Security	Information Security Management System (ISO/IEC 27001:2022)	2026.06.10-2029.06.09	YOUNG POONG HQ

Double Materiality Assessment

YOUNG POONG comprehensively identifies, analyzes, and discloses material sustainability topics based on impact and financial materiality, in accordance with the double materiality guidelines set out in the European Sustainability Reporting Standards (ESRS). This enables the company to select material topics from various environmental and social issues that are likely to have the most significant impact on its business activities.

Double Materiality Assessment Process

Assessment Process



Assessment Methodology

Step1. Understanding the Company

Creation of an issue pool for disclosure topics
- Development of an issue long list based on ESRS subtopics and sustainability disclosures by global industry peers

Internal/External environmental analysis
- Internal environment: Existing material topics, ESG management strategies
- External environment: ESG disclosure criteria and assessment indicators, industry trends, controversies, media and press releases, etc.

Development of materiality assessment topics
- Creation of a short list of assessment topics based on the results of the internal/external environmental analysis

Step 2. IRO Identification

IRO (Impacts, Risks, Opportunities) identification
- Identify the environmental and social impacts, as well as the financial risks and opportunities, associated with each shortlisted topic identified for assessment
- Identify IROs across the value chain in consideration of the relationship between each assessment topic and the characteristics of the smelting industry
- For IRO identification, consider the timing of occurrence, the short, mid, and long term timing, the nature of the impact, and dependencies on resources and stakeholders

Step 3. IRO Assessment

Establishment of assessment criteria and yardsticks
- Define detailed benchmarks to conduct an objective assessment of the size of impacts, risks and opportunities, along with the likelihood of occurrence
- For impact materiality, conduct a five-point scale assessment of size, scope, severity (such as irremediability for negative impacts), and likelihood of occurrence
- For financial materiality, conduct a five-point scale assessment of size and likelihood of occurrence.

Internal stakeholder assessment
- Conduct a roundtable meeting with the Sustainability Management Team and relevant functional departments

External stakeholder assessment
- Conduct expert assessments and collect relevant opinions

Step 4. Selection of Material Topics

Selection of, and approval of, material topics
- Select final material topics for social, environmental, and financial impacts based on thresholds set in accordance with internal standards
- Report the topics finally selected based on the results of the materiality assessment to the management and the Board of Directors
- A total of 11 topics exceeding the established materiality thresholds were identified as material topics for YOUNG POONG.
- Compared with the previous year, 'Economic Performance and Value Creation' was removed from the list of material topics, while 'Soil Contamination Management' and 'Biodiversity' were newly identified as material topics.

Material Issues in 2025

Category	Subject	Materiality Level: Social/ Environmental Impact	Materiality Level: Financial Impact	Report Reference
Environment	Climate Change Response	◔	◑	26-34
Environment	Promotion of Energy Efficiency	◔	◑	26-34
Environment	Water Quality Management	●	●	35-38
Environment	Air Quality Management	◑	●	35-38
Environment	Waste Management	●	●	35-42
Environment	Soil Contamination Management	●	●	35-38
Environment	Biodiversity	●	◔	43-46
Society	Occupational Health and Safety	●	●	53-57
Society	Shared Success with the Local Community	●	●	63-65
Society	Responsible Supply Chain Management	◑	◑	48-52
Governance	Ethics and Compliance Management	◑	◑	71-73

Double Materiality Assessment

Double Materiality Assessment Results

YOUNG POONG has established a structured stakeholder engagement framework to proactively identify and manage material sustainability issues and risks across its business operations. Stakeholders are categorized into distinct groups, and the Company operates a range of engagement channels and programs tailored to the characteristics and interests of each group. Through continuous dialogue with stakeholders, YOUNG POONG strengthens the foundation for effective ESG management and sustainable value creation.

Topic	Identified IRO	Classification			Value Chain	Affected Stakeholders	YOUNG POONG'S Response
		Positive/Negative	Actual/Potential	Risk/Opportunity			
Climate Change Response	· Direct and indirect greenhouse gas emissions generated from the company's business operations	Negative	Actual		Upstream, own operations	Environment	· Built a foundation for a strategic climate change response framework by setting a 2050 carbon neutrality target and implementation roadmap, while advancing the greenhouse gas inventory management system.
	· As customers increasingly require carbon emissions and supply chain disclosures as a condition for doing business, failure to establish robust environmental investments and climate reporting systems may result in exclusion from customers' supply chains.			Risk			
	· Enhancing the greenhouse gas inventory management system and establishing a carbon neutrality roadmap can facilitate access to financing and strengthen customer confidence.			Opportunity			
Promotion of Energy Efficiency	· Increases in industrial electricity tariffs may directly affect profitability due to the electricity-intensive nature of the electrolytic refining process.	Negative	Potential		Own operations	Environment	· Implemented flexible seasonal production operations through ESS and advanced an energy self-sufficiency strategy based on renewable energy sources, including solar and wind power, to reduce energy consumption.
	· Delays in the transition to renewable energy may increase carbon border costs under the EU Carbon Border Adjustment Mechanism (CBAM) and structurally increase energy procurement costs.			Risk			
	· The transition to renewable energy can reduce Scope 2 greenhouse gas emissions and strengthen the Company's low-carbon zinc brand.			Opportunity			
Air Quality Management	· SO_2 emissions and heavy metal-containing particulate matter (including cadmium and lead) generated from the roasting process may contribute to forest dieback in the vicinity of the smelter and expose local communities to air pollutants.	Negative	Actual		Own operations	Environment, local communities	· Strengthened emissions monitoring through stack Telemonitoring Systems (TMS) and self-monitoring. · Applied internal air emission management standards that are more stringent than applicable regulatory requirements. · Upgraded air pollution control facilities, including dust collection, desulfurization, and denitrification systems, and replaced aging equipment. · Installed facilities to reduce fugitive dust emissions.
	· Exceeding the allocated NOx and SOx emission allowances under the total air pollutant load management system may result in administrative fines and additional suspension of operations.			Risk			
	· Enhanced real-time monitoring through 13 Telemonitoring Systems (TMS) and the continued operation of De-NOx and De-SOx facilities can support consistent compliance with emission standards and strengthen community trust.			Opportunity			
Water Quality Management	· Systematic water quality management through the establishment of pollution prevention facilities, including groundwater collection systems and impermeable barrier, helps prevent environmental incidents.	Positive	Actual		Own operations	Environment, local communities	· Implemented the world's first ZLD system for smelters, enabling the treatment and reuse of all wastewater, preventing external wastewater discharge, continuously monitoring water quality, and maintaining heavy metal concentrations below analytical detection limits.
	· The implementation of the world's first zero liquid discharge (ZLD) system for smelters establishes a foundation for achieving zero wastewater discharge, transforming regulatory risks into opportunities, while strengthening the Company's brand value as an ESG leader and enhancing stakeholder trust.			Opportunity			
Soil Contamination Management	· Business operations may affect soil and groundwater, requiring continuous management to ensure consistent compliance with applicable regulatory standards.	Negative	Actual		Own operations	Environment, local communities	· Strengthened containment, dust control, and waterproofing measures at raw material and by-product storage facilities. · Conducted regular monitoring of soil and groundwater.
	· Future regulatory compliance and operational burdens may increase depending on the level of compliance with soil contamination standards and regulatory requirements.			Risk			

Double Materiality Assessment

Double Materiality Assessment Results

Topic	Identified IRO	Classification			Value Chain	Affected Stakeholders	YOUNG POONG'S Response
		Positive/Negative	Actual/Potential	Risk/Opportunity			
Biodiversity	· The Company's operations are located near key ecological corridors, giving rise to potential impact on the surrounding ecosystems, and increasing the need for continuous biodiversity management.	Negative	Actual		Own operations	Environment, local communities	· Identified ecologically sensitive areas and protected species near the Company's operations. · Reviewed conservation initiatives in collaboration with local governments, expert organizations, and environmental groups. · Conducted ecological impact assessments prior to new development or expansion projects.
	· Environmental management and restoration activities can contribute to ecosystem recovery and enhance ecosystem value.	Positive	Potential				
Waste Management	· Business operations generate a certain amount of waste, and delays in the treatment of certain residues require ongoing environmental management efforts.	Negative	Actual		Own operations	Environment, local communities	· Reviewed opportunities to recycle by-products. · Reviewed the expanded use of secondary raw materials. · Maintained end-to-end tracking of waste generation, transportation, and disposal process. · Conducted regular evaluations and site audits of outsourced waste treatment contractors. · Strengthened enclosure, waterproofing, and labeling management at waste storage facilities.
	· Developing technologies to recover additional valuable metals from smelting residues and improving outsourced treatment efficiency can reduce waste management costs.			Opportunity			
Workplace Safety	· Enhancing the occupational health and safety management system, strengthening risk assessments, and improving safety management practices for partner companies can help prevent workplace accidents, improve the working environment, and strengthen long-term regulatory compliance capabilities and organizational credibility in safety management.	Positive	Potential		Own operations, downstream	Own workforce, workers in the value chain	· Strengthened preventive safety activities by operating an ISO 45001-based occupational health and safety (OHS) management system, conducting pre-task toolbox meetings (TBM), carrying out workplace environment inspections, implementing Process Safety Management (PSM), and performing risk assessments. · Enhanced workforce safety awareness through employee and contractor feedback mechanisms and occupational health and safety training.
	· Depending on the effectiveness of the occupational health and safety management system and the level of compliance with applicable health and safety regulations, the company may face future administrative and legal actions, while recurring issues may lead to additional regulatory risks.			Risk			
Shared Success with the Local Communities	· The Company's operations contribute to local employment and economic development while fostering shared success with local communities through various social contributions and community support initiatives.	Positive	Actual		Own operations, downstream	Local communities	· Implemented a wide range of social contribution activities for local communities, future generations, older adults, and underprivileged groups.
	· Strengthening stakeholder engagement and ensuring transparent disclosure of environmental information can enhance trust with local communities, improving operational stability and the company's corporate reputation.			Opportunity			
Responsible Supply Chain Management	· Strengthening transparency in supply chain management through continuous ESG disclosures and obtaining certifications related to responsible raw material sourcing.	Positive	Potential		Upstream, own operations, downstream	Workers in the Value Chain	· Established a Supply Chain ESG Management Policy, a Responsible Minerals Sourcing Policy, and a Partners Code of Conduct to build responsible supply chain management. · Established a risk management framework based on mineral supply chain risk assessments and management policies.
	· Enhancing ESG disclosures and management practices across the supply chain can strengthen the company's ability to meet the requirements of global customers while expanding long-term business relationships and new business opportunities.			Opportunity			
Ethics and Compliance Management	· Strengthening ethical decision-making framework based on the company's compliance management framework, including the Code of Ethics, the internal reporting system, and the Anti-Corruption Policy, while fostering a culture of compliance across the organization.	Positive	Potential		Own operations	Own workforce, workers in the value chain	· Established a responsible decision-making framework supported by the Code of Ethics, the Guidelines for the Code of Ethics, the Anti-Corruption Policy, and other related policies. · Strengthened corruption prevention and internal controls through corruption risk assessments.
	· Enhancing ESG-related internal control systems and management processes, and integrating them into decision-making and performance management systems, can enhance the reliability of ESG disclosures, leading to improved external ESG assessments and ESG performance.			Opportunity			

Stakeholder Engagement

Stakeholder Communication Channels

YOUNG POONG quantified the environmental, social, and financial materiality of each potential material topic and applied a defined threshold to identify its final material topics. A total of 11 material topics were selected. The Company transparently discloses the results of its double materiality assessment, along with its approach to addressing each topic, to promote ongoing stakeholder engagement and strengthen relationships built on trust.

Stakeholder Group	Employees	Shareholders / Investors	Customers	Partners	Local Communities	NGOs, Government, and Media	All Stakeholders
Definition	Key internal stakeholders who are directly involved in operating YOUNG POONG's smelting business and serve as the foundation for sustainable business operations through compliance with environmental and safety standards and the advancement of technical capabilities.	Individuals and institutions that provide capital to YOUNG POONG and assess the Company's value based on its ESG performance and long-term financial sustainability.	B2B companies that purchase YOUNG POONG's non-ferrous metal products, such as zinc and lead, and use them as raw materials for their own products and manufacturing processes.	Business partners that collaborate with YOUNG POONG throughout the smelting process, including the supply of raw materials, equipment maintenance, and environmental management.	Local communities, including residents of Bonghwa-gun, Gyeongsangbuk-do, where the Sukpo Smelter is located, and residents near the Nakdong River basin who may be directly affected by the Company's environmental and safety management practices.	Public and social stakeholders that influence the Company's operating environment through environmental regulation and oversight by government authorities (e.g., the Ministry of Environment and local governments), environmental and human rights monitoring conducted by NGOs, and the formation of social reputation through the media.	Stakeholders that are directly or indirectly affected by YOUNG POONG's business activities.
Key Communication Channels	· Intranet · Employee training programs · Employee satisfaction surveys	· General Meeting of Shareholders · One-on-one meetings · Site visits · Public disclosures	· Customer meetings · Technical seminars · Website · Newsletters	· Shared Growth Program · Partners meetings · Procurement system · Website · Newsletters	· Local community social contribution council · Website · Press releases	· Site visits · Press releases	· YouTube · Blog
Key Areas of Interest	· Organizational culture · Employee capability development · Work-life balance · Human rights and grievance handling related to working conditions	· Enhancement of corporate value · Proactive risk management capabilities · Sound corporate governance · Transparent disclosure of management information	· Enhanced customer communication · Product quality improvement · Increased customer satisfaction	· Product quality improvement · Fair trade practices · Shared growth and mutually beneficial cooperation	· Fulfillment of corporate social responsibility · Donations and volunteer activities · Shared growth with local communities	· Transparent management disclosures · Job creation · Information on key business activities · Corporate reputation management · Response to government policies	· Corporate and business developments · Community contribution activities · Social and environmental impacts associated with key business activities · Activities, performance, and future plans related to all stakeholders
Communication Frequency	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
Responsible Department	Human Resources Team, Sukpo Smelter HR Team	Planning Team, Finance Team, Management Administration Office, External Affairs Team, Sustainability Management Team\	Sales Team, Quality Assurance Team, Raw Materials Team	Materials and Equipment Team, Sukpo Smelter General Affairs Team, Quality Assurance Team	Sukpo Smelter General Affairs Team Public Relations Team	Management Administration Office, Sukpo Smelter General Affairs Team, Environmental Management Team, Safety Planning Team, Safety and Health Management Team	Public Relations Team, Sustainability Management Team

SECTION 03.

ESG PERFORMANCE

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GOVERNANCE

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71 Ethics and Compliance Management

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화 기애애하게 우리 아빠와 엄마, 나의 탄생을 기뻐하셨네
군 불을 땔 방법도 모르는 여자로 자랐지만
석 별의 눈물을 삼키며 바다를 건너 시집왔네
포 기하지 않을거야. 당신들이 사랑하신 딸과 사위잖아
면 허는 없어도 우리에게는 행복하게 살아갈 자격이 있으니까

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ENVIRONMENTAL

꽃봉오리

봉오리 고집스레 입을 꼭 다문 꽃봉오리
화사한 비단장막 너머로 무엇을 숨기고 있니?
군자란의 고아한 화려함이니?
석란의 여리한 아름다움이니
포스레한 꽃잎들 앙다문 입술 벌려
면사포 걷어내듯 숨겨놓은 얼굴 좀 보여주련

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Climate Change Response

GOVERNANCE

Climate Change Response Framework

YOUNG POONG has established a climate change governance framework to meet domestic and international carbon neutrality requirements. Led by the ESG Committee, the company identifies action plans for key issues, including environmental management and climate change response, and pursues continuous improvement initiatives. Key matters requiring deliberation and resolution are reported to the Board of Directors. At the implementation level, the Environmental Management Team and Production Planning Team lead external reviews and collaboration related to greenhouse gas emission reductions at business sites, while the Sustainability Management Team establishes and operates a strategic climate change response framework, including the development of carbon neutrality targets and roadmaps and the enhancement of the greenhouse gas inventory management system. Meanwhile, the Board of Directors provides oversight of climate-related risks by regularly receiving reports on key matters related to climate change and carbon neutrality.

Climate Change Response Structure

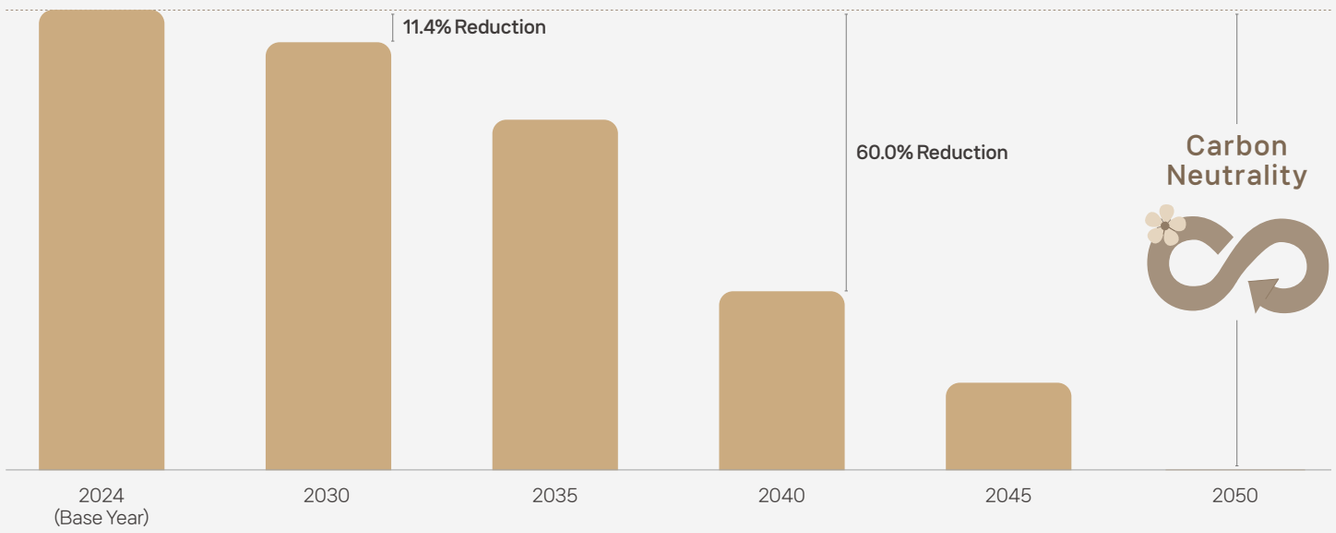


STRATEGY

Climate Change Response Strategy

YOUNG POONG has established a 2050 Carbon Neutrality target as its climate change response strategy, aligned with the national greenhouse gas reduction target, and has developed an implementation mechanism and a phased roadmap to achieve this goal. The company aims to reduce its Scope 1 and Scope 2 greenhouse gas emissions by 11.4% by 2030 and 60.0% by 2040, compared with the 2024 base-year emissions, to ultimately achieve carbon neutrality by 2050. During the initial phase of its transition plan through 2030, YOUNG POONG will prioritize the transition to renewable energy by expanding on-site solar power generation, improving energy efficiency, entering into third-party Power Purchase Agreements (PPAs), and purchasing Renewable Energy Certificates (RECs). Over the medium-to-long term, the company plans to progressively expand fuel switching and carbon offsets while continuously enhancing its transition plan by comprehensively considering the feasibility of adopting carbon capture and other relevant technologies, as well as the associated implementation costs.

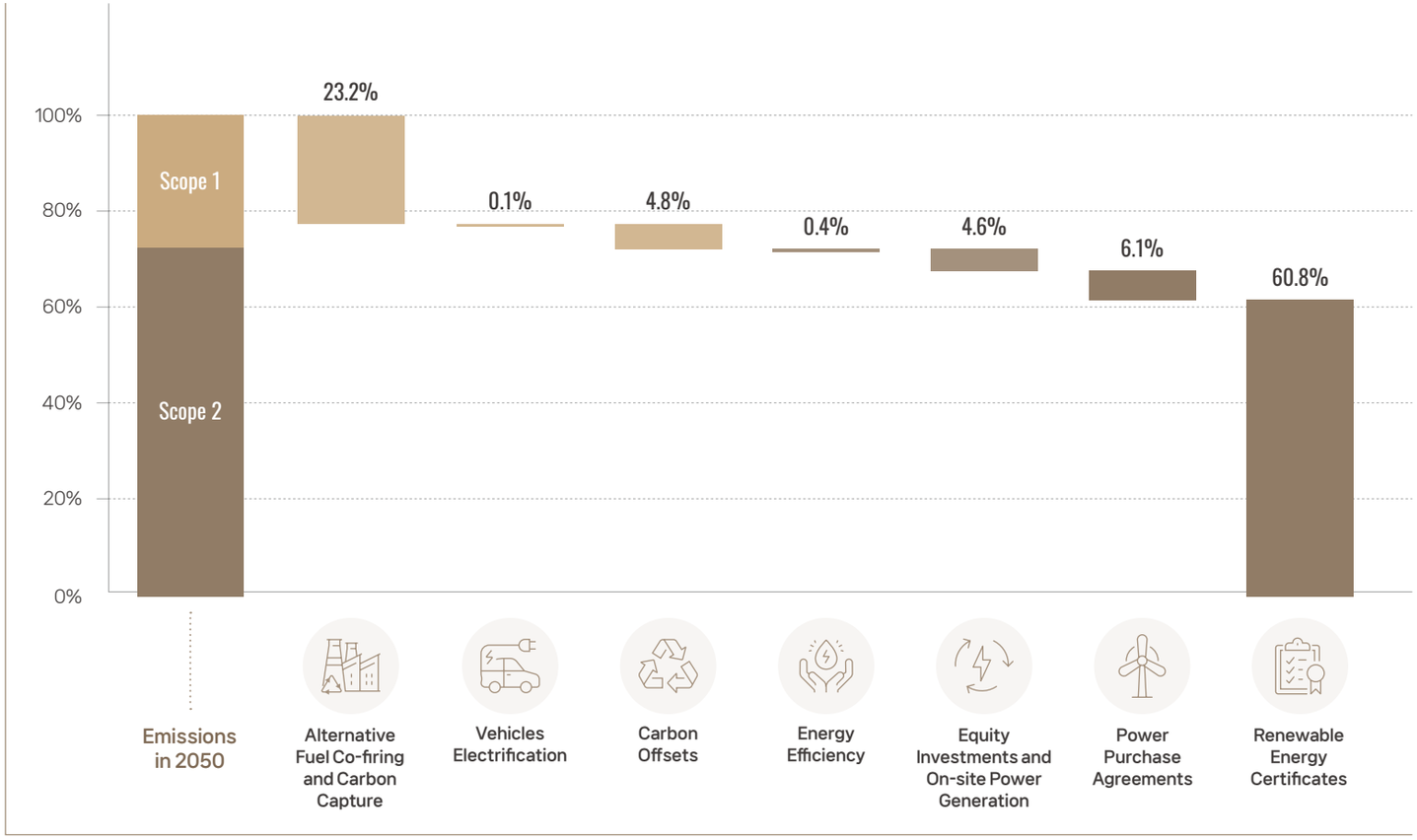
Carbon Neutrality Roadmap vs. BAU Trajectory



Climate Change Response

STRATEGY

YOUNG POONG's 2050 Carbon Neutrality Reduction Targets



Scope 1

Alternative Fuel Co-firing and Carbon Capture
- Reduce anthracite combustion emissions from the dry zinc processing process through the application of alternative fuel co-firing and carbon capture technologies.

Vehicles Electrification
- Reduce transportation fuel emissions by transitioning passenger vehicles, motorcycles, and non-road vehicles to electric vehicles.

Carbon Offsets
- Offset residual emissions remaining after the implementation of emission reduction measures, as well as emissions that cannot be reduced through available mitigation measures, by purchasing offset credits.[1)]

Scope 2

Energy Efficiency
- Improve energy efficiency through energy efficiency projects at the smelter, targeting a 0.5% year-on-year reduction in electricity consumption.

Equity Investments and On-site Power Generation
- Establish on-site solar power generation systems (0.37%) and purchase Renewable Energy Certificates (RECs) through equity investments (4.23%).

Power Purchase Agreements
- Enter into long-term Power Purchase Agreements (PPAs) of ten years or longer with renewable energy producers.

Renewable Energy Certificates
- Reduce Scope 2 emissions at the smelter and other business sites[2)] through the purchase of Renewable Energy Certificates (RECs).

1) Offset through the purchase of offset credits.
2) YOUNG POONG and its business sites

Climate Change Response

RISK MANAGEMENT

Climate Risk and Opportunity Assessment Process

STEP 1. Develop a Climate Risk and Opportunity Pool

Risks	Opportunities
· Physical risks, Transition risks	· Products and services, Markets, Resource efficiency, Energy sources

STEP 2. Identify Material Climate Risks and Opportunities

Business Impact	Likelihood of Occurrence
· Revenue · Stakeholder expectations · Operational impact assessment	· Probability of occurrence · Time horizon · Response capability assessment

STEP 3. Assess Financial Impacts

Climate Scenario Analysis

Physical Risks	Transition Risks	Opportunities
· IPCC Scenarios	· IEA and NGFS Scenarios	· Product sales scenarios

Development of the Climate Risk and Opportunity Pool

YOUNG POONG regularly monitors the climate-related risks and opportunities that may affect its business. To identify climate transition risks and opportunities, the company developed an initial pool of climate-related issues based on key internal and external factors, including peer benchmarking and an analysis of major climate-related issues affecting the non-ferrous metal smelting industry. From this initial pool, YOUNG POONG identified a final set of 26 assessment items by considering the company's business structure, strategic direction, and the characteristics of the smelting industry.

Identification of Climate Risks and Opportunities

YOUNG POONG conducted a comprehensive assessment to identify the climate-related risks and opportunities that are most material to its business. Transition risks and opportunities were evaluated based on their likelihood of occurrence and potential business impact. Business impact was assessed by considering potential effects on revenue, stakeholder expectations, and business operations, while likelihood was evaluated based on the probability of occurrence, the duration of impact, and the company's response capability. Based on the assessment results, YOUNG POONG identified two transition risks and two transition opportunities that are both highly likely to occur and expected to have a material impact on the company. Physical risks were assessed using Jupiter Intelligence, a climate modeling tool. Based on the IPCC's Shared Socioeconomic Pathways (SSP) scenarios, the company quantitatively assessed physical hazard exposure and the associated damages and financial losses across eight climate hazards. The assessment covered YOUNG POONG's headquarters and three business sites, enabling the Company to identify its key physical climate risks.

Assessment of Financial Impacts

YOUNG POONG assessed the potential financial impacts of the climate-related risks and opportunities that require focused management from a medium to long term perspective. Transition risks and opportunities were analyzed based on key scenarios developed by the International Energy Agency (IEA): Stated Policies Scenario (STEPS), Current Policies Scenario (CPS), and Net Zero Emissions by 2050 Scenario (NZE). In addition, the Network for Greening the Financial System (NGFS) scenarios, including Nationally Determined Contributions (NDCs), Delayed Transition, and Net Zero 2050 (NZE 2050) were considered as well. The assessment identified key transition risks, including increased operating costs resulting from higher industrial electricity tariffs, and greater compliance costs associated with a more stringent Emissions Trading Scheme (ETS). Key transition opportunities include the sale of valuable metals recovered from the recycling of by-products generated at the company's operations and reductions in operating costs through water reuse. Operational physical risks were identified using the Shared Socioeconomic Pathways (SSP) scenarios (SSP5-8.5, SSP2-4.5, and SSP1-2.6) presented in the Sixth Assessment Report (AR6) of the IPCC. Using Jupiter Intelligence, the Company analyzed the potential impacts, damages, and financial losses associated with eight physical climate hazards. Climate-related opportunities were also assessed for their potential financial impacts using product sales scenarios developed by the company.

Climate Change Response

RISK MANAGEMENT

Physical Risk Assessment Process Using Jupiter Intelligence

STEP 1 Input Quantitative Data
Enter site-specific data, including the location and asset value of each business site, for climate modeling assessment.

STEP 2 Assess Physical Hazard Exposure
Assess exposure to physical climate hazards through indicator-based analysis.

STEP 3 Assess Physical Damage and Losses
Assess potential damage and losses across different categories.

STEP 4 Assess Financial Impacts
Assess the financial impacts resulting from physical climate risks.

Climate Scenario Analysis

YOUNG POONG assessed the financial impacts of climate change using climate scenarios developed by leading global organizations, including the IPCC, the IEA, and the NGFS, as well as scenarios developed internally by the company. By considering a range of scenarios, from those in which climate action progresses gradually to those in which inadequate climate action intensifies the climate crisis, the company sought to enhance the reliability and objectivity of its analysis. YOUNG POONG also plans to continuously refine its assessment framework by updating its climate scenarios in line with global climate action trends and evolving market conditions.

Climate Scenarios Used

Climate Scenarios			
Projected Temperature Increase by 2100	SSP5-8.5	SSP2-4.5	SSP1-2.6
	+4.4℃	+2.7℃	+1.8℃
Assumptions	Rapid socioeconomic development and increased greenhouse gas emissions	Moderate climate action and socioeconomic development	Sustainable socioeconomic development
	Current Policies Scenario (CPS)	Stated Policies Scenario (STEPS)	Net Zero Emissions by 2050 Scenario (NZE 2050)
	+3.0℃	+2.6℃	+1.5℃
	Reflects only currently implemented policies and does not assume additional carbon reduction measures or more ambitious climate targets.	Assumes that the policies and emissions reduction targets announced by governments are fully implemented, reflecting the expected trajectory under the current policy environment.	Assumes a pathway to achieving net zero emissions in the global energy sector by 2050.
	Nationally Determined Contributions Scenario(NDC)	Delayed Transition Scenario (지연된 전환)	Net Zero 2050 Scenario (NZE 2050)
	+2.4 ℃	+1.7 ℃	+1.4 ℃
	Assumes that signatories to the Paris Agreement implement only their submitted nationally determined contributions.	Assumes that global climate action is delayed, followed by a rapid transition after 2030.	Assumes that highly stringent policies are introduced to achieve global carbon neutrality by 2050.

Climate Change Response

RISK MANAGEMENT

Identified Risks and Opportunities

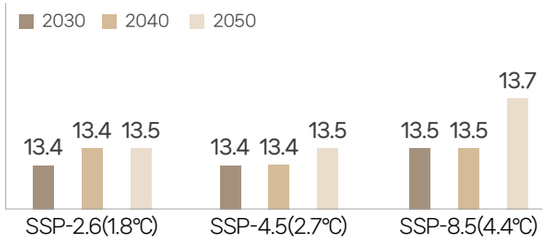
Physical Risk Assessment Results

YOUNG POONG assessed physical climate risks for each of its key business sites over the period from 2020 to 2100. Based on the assessment, the maximum projected financial impact was estimated to be less than KRW 2 billion, which the Company determined does not constitute a material financial impact under its current materiality threshold. Accordingly, no specific response strategy has been established. However, the company will continue to monitor changes in climate conditions and their effects on its business while periodically reviewing the associated financial impacts.

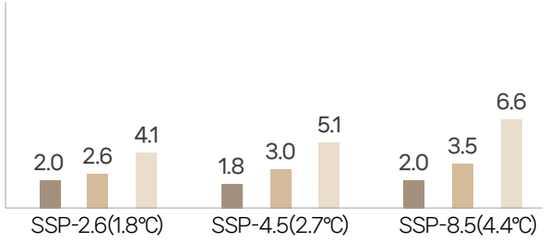
Physical Risk Assessment Results for Key Business Sites Very Low Low Medium High

YOUNG POONG Business Site	Physical Risks							
	Flood	Typhoon	Heavy Rainfall	Drought	Wildfire	Extreme Rainfall	Cold Wave	Hail
Sukpo Smelter								
Gangnam YOUNG POONG Building								
Jongno Seorin Corporate Office								
Green Metal Campus								

Estimated Financial Impacts of Acute Physical Risks (Typhoons, flooding, etc.) (Unit: KRW 100 Million)



Estimated Financial Impacts of Chronic Physical Risks (Heatwaves, wildfires, etc.) (Unit: KRW 100 Million)



Transition Risk Assessment Results

	T1. Strengthening Carbon Pricing Mechanisms	T2. Rising Electricity Tariffs
Company Impact	In line with the government's 2050 carbon neutrality target, a reduction in the industrial sector emissions cap is expected. Accordingly, the auctioning rate under the ETS is expected to gradually increase. In addition, global carbon regulations such as the EU CBAM are driving the gradual phase-out of free allocation for carbon-intensive industries, including steel and non-ferrous metals. This combination of increasing auctioning rate and rising carbon prices may increase the Company's exposure to carbon compliance liabilities.	The zinc smelting industry is a facility-based industry characterized by electricity-intensive processes such as electric furnace operations and electrolytic processes, which form the core of production. Electricity costs, therefore account for a significant proportion of total operating expenses. As the government pursues electricity tariff reform policies and grid-related costs increase due to the expansion of renewable energy, industrial electricity prices are expected to continue to rise. If the transition to renewable energy is delayed, the structural burden of electricity procurement costs may further increase over the medium to long term.
Assumptions	The financial impacts were estimated based on factors including annual adjustment factors for the industrial sector, the auctioning rate, expected allowance allocations, excess emission purchase volumes, and emissions allowance prices. Allowance prices were derived from the IEA scenario-based carbon price pathways, while adjustment factors and allocation coefficients were based on estimates under Korea's 4th Planning Period (2026–2030) National Allocation Plan for the Emissions Trading Scheme.	The financial impact was estimated based on projected annual electricity consumption and expected electricity tariffs. Electricity price projections were derived from the relevant NGFS scenarios.
Assessment Results	YOUNG POONG has established a carbon neutrality target and implementation roadmap to reduce greenhouse gas emissions from its operations. The company is enhancing its response framework and progressively strengthening its implementation capabilities in order to achieve net zero emissions by 2050.	YOUNG POONG is actively advancing renewable energy initiatives, including solar and wind power projects, and has developed plans for Power Purchase Agreements (PPAs) and Renewable Energy Certificate (REC) procurement.
Time Horizon	2025-2050	

Opportunity Assessment Results

	O1. By-Product Recycling and Sales
Company Impact	YOUNG POONG operates a circular resource system by recovering and selling valuable metals and slag from zinc smelting by-products through the process for zinc residues. As the global transition toward a circular economy accelerates, the company is expected to realize financial benefits through both reduced waste disposal costs and revenue generation from valuable metals.
Assumptions	The financial impact was estimated based on annual inflation rates, product sales volumes, and product selling prices. Product sales volumes were determined based on the product sales scenario.[1]
Assessment Results	The company is making efforts to align its production and sales activities with changing external market conditions.

1) It is assumed that zinc ingot production will remain at a stable level each year. Accordingly, the volume of by-products (valuable metals and slag) recovered from the process for zinc residues is also assumed to remain stable. A gradual increase linked to inflation rates was applied to selling prices, reflecting the medium to long term upward trend in global commodity markets.

Climate Change Response

RISK MANAGEMENT

Identified Risks and Opportunities

Climate Risk and Opportunity Assessment Results

Classification				Financial Impacts	Description	Financial Impact Analysis(KRW 100 million/year)			Time Horizon
						Short-term (2030)	Medium-term (2040)	Long-term (2050)	
Physical Risks	P1	Acute	Flood	Increase in asset impairment and operational losses	Asset damage and operational disruption losses due to flooding	Min 13.4~ Max 13.5	Min 13.4~ Max 13.5	Min 13.5~ Max 13.7	Short-term, medium-term, long-term
			Typhoon		Asset damage and operational disruption losses due to typhoons				
	P2	Chronic	Wildfire	Increase in asset impairment and operational losses	Asset damage and operational disruption losses due to wildfires	Min 2.0~ Max 4.1	Min 1.8~ Max 5.1	Min 2.0~ Max 6.6	
			Heatwave		Increased operational disruption losses due to heatwave-induced work stoppages				
Transition Risks	T1	Policy	Strengthening of the Emissions Trading Scheme	Increase in emissions allowance purchase costs	Increased carbon liability burden due to rising emissions allowance prices and increase in the proportion of allowances subject to auctioning	Min 134~ Max 446	Min 647~ Max 2,141	Min 1,077~ Max 3,589	Medium-term, long-term
	T2	Policy	Increase in electricity prices	Increase in operating costs	Increased electricity procurement costs resulting from medium- to long-term increases in electricity prices	Min 202~ Max 419	Min 174~ Max 730	Min 144~ Max 270	Short-term, medium-term, long-term
Transition Opportunities	O1	Resource Efficiency	Use of zinc smelting by-products	Increase in revenue	Opportunity to secure sales of valuable metals (electrolytic copper, silver by-products, and precious metals concentrate) and slag recovered from the Pyrometallurgical Process for zinc residues.	1,828	2,185	2,612	Short-term, medium-term, long-term
	O2	Resource Efficiency	Reduction in water withdrawal and consumption	Reduction in operating costs	The zero liquid discharge (ZLD) system eliminates wastewater discharge at the source, thereby reducing water quality regulatory risks and operational disruption risks, while enhancing operational stability and supporting loss prevention	- [1]			Medium-term, long-term

1) The company has confirmed that the implementation of a ZLD system enhances water reuse efficiency and strengthens its capacity to respond to environmental regulations. While financial benefits are expected, including improved operational stability and medium to long term cost savings, there are currently limitations in the quantitative estimation of these effects due to the lack of sufficiently established industry-wide standard scenarios and assessment methodologies. Accordingly, the company is managing the relevant impacts from a qualitative perspective at present and plans to progressively enhance its assessment framework moving forward.

Climate Risk and Opportunity Response Status and Plans

YOUNG POONG has identified key climate-related risks and opportunities and assessed their financial impacts. The company has identified asset damage and increased operating costs as key drivers of operational risks at its business sites, and business opportunities arising from environmentally friendly products and changes in market demand as key factors. Given that the company operates energy-intensive processes in the smelting and materials industry, YOUNG POONG is highly exposed to external changes driven by climate change and the energy transition. In particular, the strengthening of carbon neutrality policies, increasing requirements for renewable energy use, tightening low-carbon procurement standards across global supply chains, and rising energy price volatility are key factors that directly affect production costs, operational stability, and market competitiveness. In response to the potential increase in operating costs and regulatory pressures arising from climate-related risks, YOUNG POONG has established a mid to long term roadmap to reduce Scope 1 and Scope 2 greenhouse gas emissions. Based on this roadmap, the company is developing detailed implementation tasks for achieving carbon neutrality and continuously strengthening its organizational capabilities and internal management systems. In addition, YOUNG POONG will continue to enhance the operation and water reuse efficiency of its ZLD system to strengthen its environmental risk response capabilities and establish a more sustainable production system.

Climate Change Response

TARGETS & METRICS

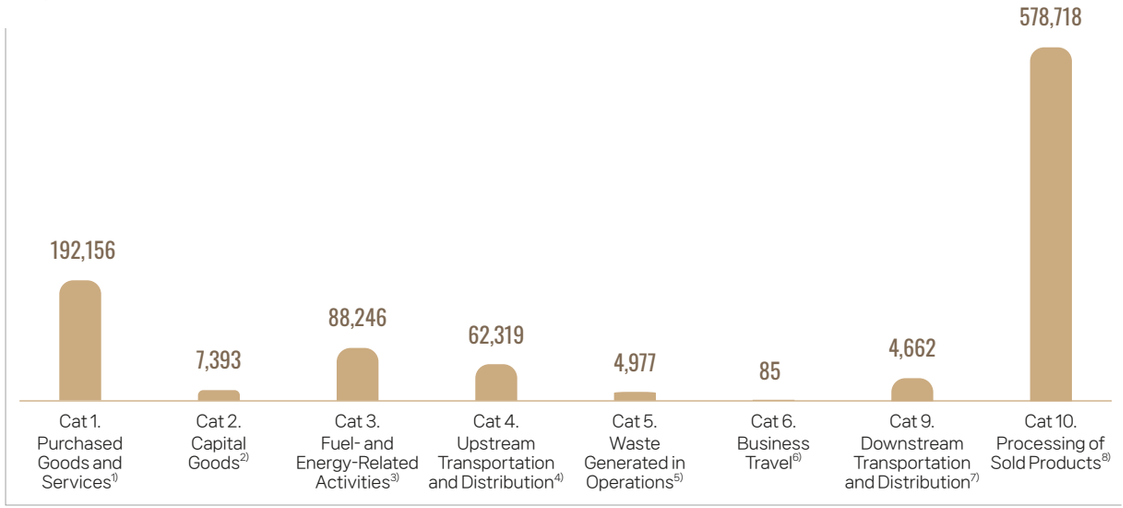
Greenhouse Gas Emissions and Energy Management

YOUNG POONG has established and implemented indicators and targets to manage its climate-related performance. Further details regarding the Company's emission reduction targets and related implementation plans are presented in the Strategy section under "YOUNG POONG's 2050 Carbon Neutrality Reduction Target."

Establishment of Scope 3 Emissions Calculation System

To strengthen its ability to monitor and manage emissions across the value chain, YOUNG POONG has established a Scope 3 greenhouse gas emissions calculation system and has been disclosing relevant information since 2025. The Company measures and manages emissions categories selected based on the extent to which they can effectively be managed and their relevance to business operations.

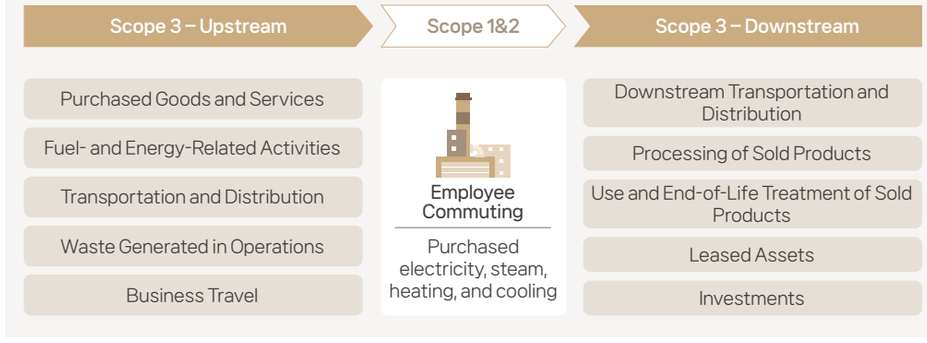
Scope 3 (Other Indirect Greenhouse Gas Emissions) in 2025 (Unit: tCO_2e)



*Calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, based on the company's internal methodology.
**The data used for 2025 calculations has not been subject to third-party external verification.
1) Emissions were calculated for key raw material inputs with a high share of procurement costs, including zinc concentrate and zinc oxide. Compared to the previous year, the scope of items assessed was expanded, and the calculation methodology was revised from a cost-based approach to a quantity-based approach using global average databases.
2) Capital Goods: Emissions were calculated based on the acquisition of tangible assets disclosed in the 2025 business report, using a cost-based approach.
3) Emissions from purchased fuels (reflecting changes in fuels used at business sites) were calculated using the Korea Environmental Industry & Technology Institute (KEITI) Environmental Product Declaration database. The National Institute of Environmental Research (NIER) Scope 3 GHG Emissions Inventory Guidance was also referenced.
4) Emissions were calculated for the transportation of key purchased raw materials, auxiliary materials, and sold products.
5) Emissions were calculated based on treatment methods for waste generated at domestic operations, using a waste-type-based approach and the KEITI Environmental Product Declaration database.
6) Emissions were calculated based on employee business travel data (location, transport mode, and travel distance) for domestic operations.
7) Emissions were calculated for transportation of sold products where transportation costs were not paid by the company.
8) Emissions were calculated by applying zinc ingot processing-type ratios and mapping sales to end-user demand sectors, using global average databases, the Ecoinvent database, and customer and product demand databases.

Scope 3 Categories Excluded

Category	Reason for Exclusion
Category 7. Employee Commuting	No employee commuting data available.
Category 8. Upstream Leased Assets	No upstream leased assets are operated.
Category 11. Use of Sold Products	The company does not sell products that consume fuel or energy during use as finished products.
Category 12. End-of-Life Treatment of Sold Products	The company does not sell products that require end-of-life treatment after use.
Category 13. Downstream Leased Assets	No downstream leased assets are held.
Category 14. Franchises	No franchise operations are conducted.
Category 15. Investments	The company does not hold investments in associates for investment purposes.



Climate Change Response

PERFORMANCE

Energy Consumption Reduction Activities

Demand Response (DR) Program

YOUNG POONG has continuously participated in the Demand Response (DR) program administered by the Ministry of Trade, Industry and Energy (MOTIE) since December 2014. The DR program is a market-based mechanism through which electricity consumers, such as industrial and commercial facilities, voluntarily reduce their electricity consumption and receive financial compensation by providing the resulting demand reduction in the electricity market. Through participation in the program, the Company achieved approximately KRW 2.17 billion in electricity cost savings in 2025.

Waste Heat Recovery Power Generation

YOUNG POONG's Sukpo Smelter operates a Steam Turbine Generator (STG) system that converts waste heat generated in the smelting process into energy. The facility currently operates five STG units, with a total installed capacity of 34,275 kW. In 2025, the Sukpo Smelter's total electricity consumption was 945 GWh, of which approximately 6.9% (65 GWh) was self-generated by the STG system. This is estimated to have resulted in annual electricity cost savings of approximately KRW 11.6 billion.

ESS Operations

YOUNG POONG operates an Energy Storage System (ESS) to optimize electricity consumption during peak demand periods. The ESS stores electricity during low-demand periods such as nighttime and weekends, and discharges it during peak demand periods, thereby contributing to enhanced grid stability and reduced electricity costs. The company currently operates an ESS with a total capacity of 50 MWh, which is estimated to have resulted in electricity cost savings of approximately KRW 960 million in 2025.

Greenhouse Gas Emissions Reduction Activities

Production Process Optimization

YOUNG POONG has been implementing production process optimization initiatives to reduce greenhouse gas emissions and enhance operational efficiency. From March to April 2025, the company carried out improvement works on operating equipment in the electrolysis process, including the replacement and installation of key equipment. In addition, the company enhanced the precision and efficiency of equipment operations through PLC-based automation, sensor installation, and the implementation of process automation systems. As a result of these process improvements and automation initiatives, operational efficiency improved during the remainder of 2025, leading to reduced electricity intensity and electricity consumption savings. Consequently, greenhouse gas emissions were reduced by approximately 14,303 tons compared to the four-year average prior to implementation of the initiative. .

Alternative Fuel Application

In March 2026, YOUNG POONG obtained recognition for biomass fuel substitution under the greenhouse gas Emissions Trading Scheme (ETS) allocation guidelines and the associated emission reduction methodology in the pyrometallurgical process for zinc residues. The company partially replaced propane gas (LPG), which had been used as an operating fuel in the process, with biomass (wood) fuel, thereby achieving recognized greenhouse gas emission reductions. Going forward, the company plans to continuously identify and expand government-certified emission reduction projects with verified reliability and further advance its greenhouse gas reduction initiatives.

Renewable Energy Transition

YOUNG POONG is advancing its transition to renewable energy, with a focus on wind and solar power generation. In particular, the company aims to enhance energy self-sufficiency while supporting shared growth with local communities by developing renewable energy projects that leverage site-specific characteristics and local resources. In 2025, YOUNG POONG signed a Memorandum of Understanding (MOU) with a leading domestic wind power developer to develop a wind power complex. The agreement represents an important step toward accelerating the regional transition to renewable energy by utilizing the abundant wind resources in the mountainous area of Bonghwa-gun, Gyeongsangbuk-do, where the Sukpo Smelter is located. Upon completion, the wind power complex is expected to generate approximately 82,000 MWh of electricity annually, providing an important foundation for shifting the site's electricity supply toward renewable energy. In addition, the company is also pursuing a solar power generation project utilizing idle land within its facilities. A solar power plant with a capacity of approximately 4–5 MW is currently under development on idle land between Plant 2 and Plant 3 and is expected to generate approximately 7,000 MWh of electricity annually.



MOU Signing ceremony for the Wind Power Complex Development

Climate Change Response

PERFORMANCE

Product Life Cycle Assessment (LCA)

YOUNG POONG has been continuously enhancing its Life Cycle Assessment (LCA) framework to proactively respond to increasingly stringent global carbon regulations and the growing demand for low-carbon product information across the value chain. In August 2023, the company conducted a quantitative environmental impact assessment for one ton of its key product, zinc ingot, applying a cradle-to-gate system boundary covering raw material extraction and processing through the manufacturing stage. The assessment quantified environmental impacts across seven impact categories: carbon footprint, resource footprint, ozone depletion, acidification, eutrophication, photochemical ozone formation, and water footprint. In 2026, YOUNG POONG is further strengthening its LCA implementation by moving beyond simple carbon emissions calculations toward a more robust assessment framework based on international standards, product-level inventory data, refined assumptions, and structured management processes. The company is also conducting detailed unit-process-level data collection across all sites to enhance the accuracy and reliability of its LCA assessments. Going forward, YOUNG POONG plans to leverage objective and reliable LCA data to address global regulatory risks, including the EU Carbon Border Adjustment Mechanism (CBAM), and strengthen competitiveness of its export products.



Eco-Friendly Community Engagement Activities

YOUNG POONG has signed a memorandum of understanding (MOU) for the "Omisan Wind Power Project" in collaboration with local governments and local communities, contributing to the development of renewable energy infrastructure in the region. The Omisan Wind Farm has a total installed capacity of 60.2 MW, which is sufficient to generate enough electricity to power approximately 22,000 households annually. Since 2021, YOUNG POONG has been providing access to the ultra-high-voltage transmission lines owned by the Sukpo Smelter free of charge each year, helping to establish a stable power supply infrastructure for the wind farm. Through this initiative, the company is simultaneously supporting the revitalization of the local economy and the transition to low-carbon energy.



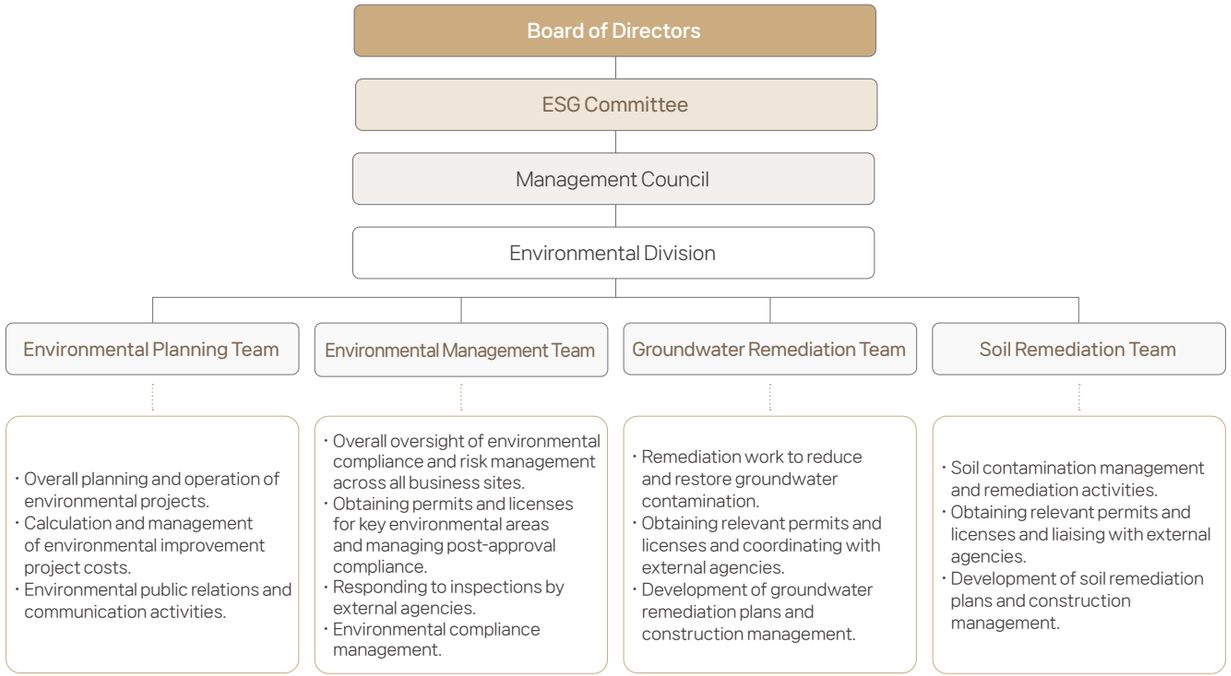
Environmental Impact Management

GOVERNANCE

Environmental Management System

Led by the Environmental Division which oversees YOUNG POONG's environmental management, the company has adopted an ISO 14001-based environmental management system and is expanding environmental management across the entire organization. The Environmental Division performs key functions such as establishing and operating the environmental management system, managing pollutant emissions, and mitigating environmental risks. The performance of the environmental managers in minimizing environmental impact and compliance with relevant laws and regulations is set as a Key Performance Indicator (KPI) and managed systematically. In addition, YOUNG POONG operates regular environmental management committees to enhance the effectiveness of environmental management initiatives. These committees, which consist of the Integrated Environmental Council and the Environmental Monitoring Committee, meet monthly and twice a year, respectively, to review the progress of environmental management initiatives and proactively manage major environmental risks.

Environmental Management Governance Structure



STRATEGY

Environmental Management Policy

YOUNG POONG has established an Environmental Management Policy to minimize the environmental impact that may arise across all business operations and adopts a systematic management framework based on this policy, which applies to all stakeholders, including all employees, subsidiaries, and partner companies. The policy focuses on minimizing various environmental impacts by improving the efficiency of raw material and water use, reducing emissions of air and water pollutants, curbing waste generation and increasing recycling, managing greenhouse gas emissions, and strengthening the management of hazardous substances.

Environmental Management Policy ➤ Environmental Management Guidelines ➤

Mid to Long Term Strategies for Minimizing Environmental Impact

Water	‣ Achieve stable operation of the zero liquid discharge (ZLD) wastewater system. ‣ Conduct continuous real-time monitoring of the water quality of the lower Nakdong River basin.
Air	‣ Achieve target emissions below 70% of applicable statutory limits. ‣ Improve dust collection, desulfurization, and denitrification facilities and replace aging equipment.
Soil	‣ Prevent further spread of pollution by strengthening the seepage-control, dust containment, and water-proofing functions of storage facilities. ‣ Phased implementation of remediation work around the smelter's exterior, aiming to restore the soil conditions to its natural state.
Chemicals	‣ Regularly update MSDS documents and conduct conformity inspections for chemical handling facilities. ‣ Conduct chemical accident response drills and update emergency response manuals.
Biodiversity	‣ Promote ecological conservation activities in cooperation with local governments and expert institutions. ‣ Undertake landscaping and ecological restoration reflecting local ecological characteristics.
Waste	‣ Expand pathways for the resource utilization of byproducts and waste. ‣ Minimize waste generation through process improvements.

Environmental Impact Management

RISK MANAGEMENT

Integrated Environmental Permit

YOUNG POONG complies with the integrated environmental permit system based on the Integrated Environmental Management Act and systematically manages the environmental impact across all its business sites. To ensure faithful compliance with permit conditions, the company has established mid to long term environmental improvement plans and continuously pursues facility investments and enhanced operational management. Accordingly, YOUNG POONG is investing a cumulative total of KRW 172.1 billion in relation to the integrated environmental permit by 2025 to implement 117 facility improvement projects, including upgrades to emission facilities and inspections of pollution control equipment. Through these efforts, the company is reducing major environmental impacts, such as impacts on air and water quality, and establishing an environmental management system that safely overachieves legal standards. As of the end of 2025, the company has fully implemented all 111 facility improvement projects required for completion, and the three projects scheduled for completion by 2027 are also proceeding smoothly according to schedule. Construction works for these projects are currently underway in tandem with internal approval procedures, and all improvement projects are slated to be completed by the contemplated due date.

Furthermore, YOUNG POONG continues to conduct environmental capacity-building activities for the employees to ensure the stable operation of the integrated environmental permit system. In 2025, the company has conducted a total of 12 in-depth training sessions on the Integrated Environmental Management Act for the operations team and the environmental management team, enhancing their understanding of regulatory compliance measures and key environmental management factors. In particular, by utilizing production downtime to conduct intensive training, the company has ensured that environmental management capabilities could be effectively applied on-site upon the resumption of normal operations. Going forward, YOUNG POONG plans to continuously monitor the implementation status of the integrated environmental permit system and strengthen the foundation for sustainable environmental management by proactively managing environmental risks through a combination of facility improvements and human resource development.

PERFORMANCE

Air Quality Management

Air Monitoring System

YOUNG POONG has established a system for early detection and prompt response to abnormal emissions by regularly inspecting air emission points at the facilities and monitoring them in real time. The company has installed the Telemonitoring System (TMS) on eight major stacks at the Sukpo Smelter and transmit pollutant emission data to the Korea Environment Corporation in real time. The company also operates its own air quality monitoring stations at five locations outside the plant to maintain a 24-hour monitoring system which displays real-time measurement data for air pollutants such as particulate matter and SOx on an electronic display board in front of the Seokpo-myeon Office, allowing any local resident to directly check air quality conditions.

Strengthening Air Pollutant Reduction Facilities

YOUNG POONG continues to invest in facilities to fundamentally reduce air pollutants such as nitrogen oxides. To date, cumulative investment in NOx reduction for the roaster totals KRW 43.9 billion, while cumulative investment in fugitive dust reduction for the ore storage facility totals KRW 10.8 billion. In 2025, YOUNG POONG completed the construction of its sixth oxygen plant, establishing a system capable of reliably supplying up to 116 metric tons of high-purity oxygen per day. The oxygen produced at the oxygen plant is integrated with the ozone composite treatment system to generate ozone, which is used as a pretreatment agent for exhaust gas purification, effectively reducing nitrogen oxide emissions through the ozone oxidation process. This enables us to consistently meet the stricter nitrogen oxide emission standards under the Integrated Environmental Permit.

Preventing Fugitive Dust at the Source

To reduce fugitive dust that may be generated during raw material handling and transportation, YOUNG POONG is upgrading its unloading yards and ore storage facilities and sealing raw material conveyors and vehicle transportation routes. Furthermore, the company has minimized the impact on air quality beyond plant boundaries by preemptively blocking all potential pathways through which pollutants may escape externally throughout the entire operation.



TMS display at the Sukpo Smelter



Oxygen plant 3 completion ceremony at the Sukpo Smelter

Environmental Impact Management

PERFORMANCE

Water Quality Management

Groundwater Containment Facilities

YOUNG POONG has installed an impermeable barrier along a 2.5-kilometer section surrounding the smelter to prevent the external leakage of groundwater passing beneath the plant site. The intercepted groundwater is recycled as process water through pumping and purification processes, and a daily average of 450 tons of groundwater (up to 1,200 tons during rainy seasons) is pumped, purified, and reused in the production process. This integrated water resource management structure simultaneously achieves both the prevention of pollutants discharge and the reuse of water resources. Large-scale collection facilities have also been installed on the outskirts of the plant to upgrade drainage channels and storage tanks in order to prevent pollutants from entering the Nakdong River basin during extreme weather events such as torrential rains. Stored sludge (cake) is regularly collected and disposed of to preemptively eliminate the possibility of secondary pollution. A cumulative total of KRW 41.75 billion has been invested in the installation of the facilities from 2020 through 2025.

River Water Quality Monitoring

To systematically manage the environmental impact on nearby waterways, YOUNG POONG conducts continuous water quality monitoring of the Nakdong River tributaries. A total of four monitoring points is continuously monitored along the Nakdong River tributaries near the Sukpo Smelter including both upstream and downstream locations. Monitoring results show that levels of major heavy metals, including cadmium (Cd), arsenic (As), lead (Pb), mercury (Hg), cyanide, and hexavalent chromium, have remained below applicable detection limits across all parameters in recent years, and water quality grades have consistently achieved Grade 1 or 2 at all monitoring sites.

Water Resource Risks

To systematically manage water resource-related risks, YOUNG POONG regularly monitors the level of water resource risk in the regions where its facilities are located. An assessment using the Aqueduct Water Risk Atlas provided by the World Resources Institute (WRI) confirmed that the area where the Sukpo Smelter is located is not categorized as a high-water stress area.

Water Resource Risk Status

Major Facilities	Location	Level	Significance
Sukpo Smelter	Bonghwa-gun, Gyeongsangbuk-do	Medium-high	Ratio of total water withdrawal demand to available surface water and groundwater supply: 20–40%

Groundwater Containment Facilities Capital Expenditure
(Cumulative, 2020–2025)

KRW
41.75
billion

Operation of Zero Liquid Discharge (ZLD) Wastewater System

YOUNG POONG adopts a zero liquid discharge (ZLD) system, which recycles and reuses all wastewater generated during the smelting process as clean process water without discharging it externally. This system, based on the "atmospheric evaporation concentration" method, recovers 100% of clean water by first treating the wastewater by a primary purification method, then heating it to high temperatures to capture the resulting water vapor. Residual impurities are then solidified and managed separately, to completely eliminate the possibility of hazardous substances leaking into the environment. The system has been in stable operation since its introduction in 2021, and in 2025, the company has completed patent registration for the "Zero Liquid Discharge Equipment." YOUNG POONG's annual water savings from this system reached approximately 730,000 m^3 of industrial water in 2025, establishing it as the company's core environmental technology that fulfills the goals of both protecting local water systems and promoting resource recycling.



Panoramic view of the Sukpo Smelter Zero Liquid Discharge System

Environmental Impact Management

PERFORMANCE

Hazardous Chemical Management

YOUNG POONG strictly manages and supervises the entire life cycle of hazardous substances, from the introduction, to use, storage, and disposal in accordance with its Environmentally Hazardous Substance Management Guidelines. Its chemical management is carried out in a step-by-step process, from preliminary review of hazardous chemicals, storage management, transportation, and handling control. The Sukpo Smelter's site manager and relevant departments have clearly defined responsibilities and authorities regarding hazardous substance management: the company identifies hazardous chemicals on-site based on a list of environmentally hazardous substances and adhere to rigorous management practices for their safe storage and handling.

Digital Technology-Based Integrated Safety Management System for Chemical Substances

YOUNG POONG is innovating its digital framework for its occupational health and safety management system to proactively mitigate potential risks posed by hazardous chemicals handled at its facilities, and to provide a safe working environment for its employees. As part of the occupational health and safety improvement plan, YOUNG POONG has implemented a company-wide Computerized MSDS Management and Posting System to ensure strict compliance with Article 65 (Provision of Occupational Safety and Health Information by Contractors) and Article 114 (Posting of Material Safety Data Sheets) of the Industrial Safety and Health Act.

The company has completely overhauled the previous practice of manually managing data, such as receiving emails and storing shared files individually, which carried risks of omitting information, or posting outdated versions, and replaced it with a unified database that enables systematic monitoring of the latest MSDS information for approximately 250 types of chemicals currently handled within the company. As a result, on-site workers can quickly access necessary substance information through the computerized system to print and post warning signs and work instructions for each work unit at the worksite in real time. Additionally, the company has hugely bolstered its data updating practice by applying an auto-mailing feature that automatically sends notifications to the relevant personnel whenever MSDSs are revised. This way, YOUNG POONG efficiently manages chemical substances and prevents accidents.

At present, the company strictly enforces a pre-purchase approval process through the Environment and Safety Department for substances subject to the Chemical Substances Control Act and the Hazardous Materials Safety Control Act. Moving forward, this digital system will be progressively enhanced through a multifaceted approach, including: ▲ interoperation with the pre-approval application function; ▲ implementation of a 1:1 automatic matching system with SAP material codes; and ▲ adoption of a simple authentication system for better worker accessibility. YOUNG POONG will continue to manage potential risks related to chemical substances more systematically based on its practice of accurately and transparently sharing occupational health and safety information.

Environmental Education

YOUNG POONG operates various environmental education programs to strengthen its environmental risk response capacity and to embed a company-wide environmental management practice. These programs are designed to ensure that employees adopt an eco-friendly mindset throughout their work. In 2025, the company held in-depth environmental management training sessions to raise awareness of environmental management and enhance the understanding of the integrated environmental permit system among employees at the Sukpo Smelter. Field-focused sessions were held together with the training to ensure the impact of the training in practice.

2025 Environmental Training Details

Training Title

Advanced Environmental Management Training

Content

- Environmental Management Strategies for Legal Compliance Following the Acquisition of an Integrated Environmental Permit
- Environmental Management Practice
- Strategic Response for Domestic Environmental Laws and Regulations

Trainees	Training Period
Environmental Management Team, Production Management Department	March 13, 2025 to April 17, 2025

Resource Recycling and Circular Economy

GOVERNANCE

Resource Circulation Management System

YOUNG POONG operates a resource circulation management governance system based on its Integrated Environmental Management Policy to achieve efficient use of resources and to establish a management system grounded in a circular economy. The resource circulation management system is managed by a seamless collaboration between the site environmental management team, raw material procurement team, process innovation team, and R&D team.

Resource Circulation Management Governance Structure

Environmental Division, Environmental Management Team

- **Key Functions:** Waste and by-product management, compliance with environmental laws and regulations, mitigation of environmental risks
- **Key Management Items:** Management of waste generation and recycling rates, hazardous waste management, verification of the appropriateness of outsourced treatment, and prevention of environmental pollution.

Raw Materials Team, Process Innovation Team

- **Key Functions:** Procurement of primary and secondary raw materials, supply chain management, and process optimization
- **Key Management Items:** Management of raw material quality and supply stability (including crude zinc oxide, secondary brass powder, and zinc powder), and improvement of resource utilization efficiency.

R&D Team, Technical Support Team

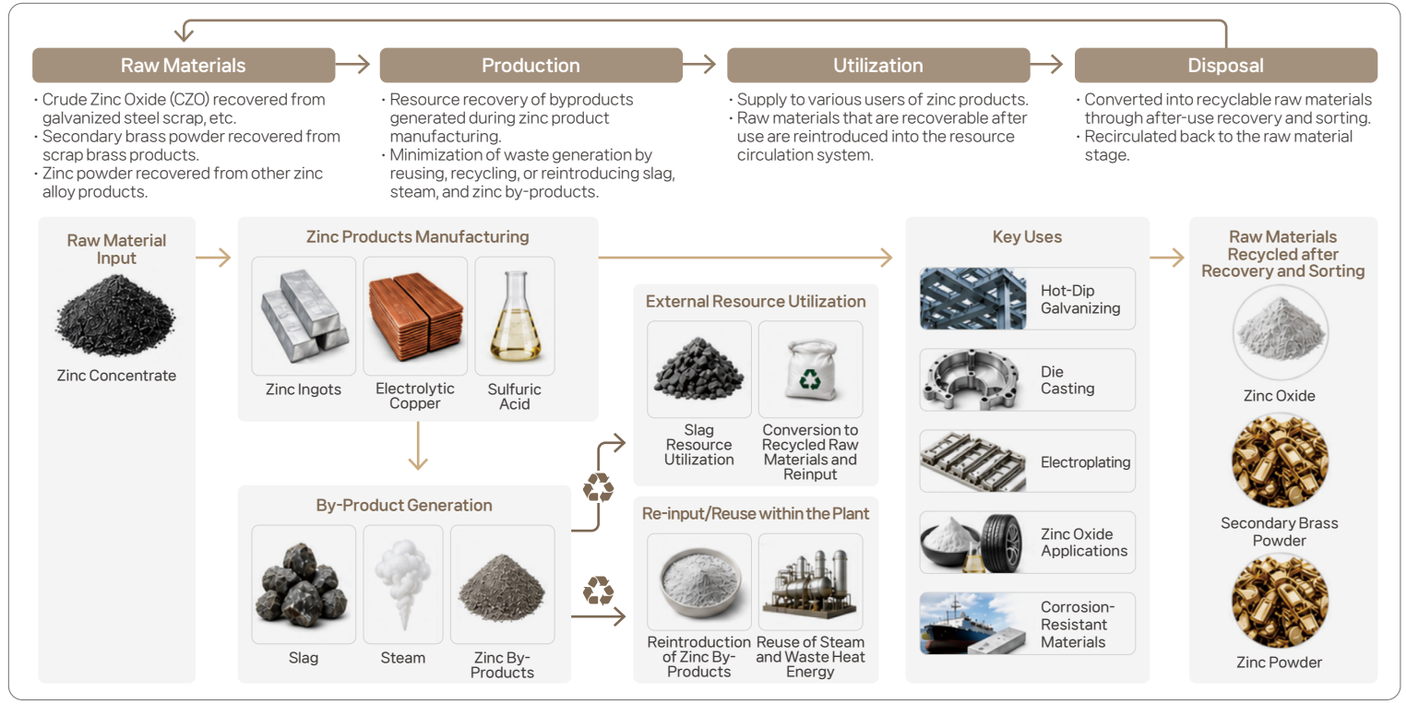
- **Key Functions:** Development of technologies for by-product recycling and reintroduction into the process
- **Key Management Items:** Recovery of valuable metals, resource utilization of slag, treatment of process residues, steam reuse, and improvement of process efficiency.

STRATEGY

Resource Circulation Structure

YOUNG POONG recognizes the importance of a circular economy based on resource conservation and recycling, and pursues sustainable growth through a resource circulation strategy that leverages advanced smelting technologies. To this end, in an effort to enhance resource efficiency in the zinc smelting process and minimize waste generation, the company is optimizing the resource circulation system across the entire lifecycle, from the raw material stage to the production, use, and disposal stages. YOUNG POONG's primary focus lies in persistent improvement of quality control and expansion of secondary raw materials, securing markets for by-product resource utilization, advancing technology for the re-input process, conducting research on by-product resource utilization, and managing waste generation and recycling rates.

Resource Circulation Process



Resource Recycling and Circular Economy

STRATEGY

Raw Material Stage _ Review of management and expansion of secondary raw material supply

YOUNG POONG is reinforcing its resource circulation system by expanding the use of not only primary raw materials but also zinc-containing secondary raw materials. Given the nature of the metal smelting industry, the stability of raw material supply and resource efficiency are key factors directly linked to production competitiveness and environmental performance; therefore, the company is continuously reviewing the potential for utilizing recycled materials that can be reintroduced into the process. Crude Zinc Oxide (CZO) recovered from galvanized steel scrap and steelmaking dust is a recycled raw material that can be reintroduced into the zinc smelting process. YOUNG POONG is working to increase CZO usage by evaluating its process applicability and quality stability. Secondary brass powder recovered from scrap brass products is another valuable recycled resource containing copper and zinc. The company is managing its supply chain and supply-demand conditions of the same to ensure a stable supply of raw materials and improve resource utilization efficiency.

Category	Significance	Key Managed Factors
Crude Zinc Oxide (CZO)	Secondary zinc raw material recoverable from zinc-containing waste resources, such as galvanized steel scrap and steelmaking dust.	Component analysis, impurity control, supplier traceability, establishment of stocking standards
Secondary Brass Powder	Recycled copper and zinc based raw materials recovered from the brass smelting process.	Sorting and quality inspection, management of valuable metals content, prevention of foreign material contamination

Use Phase _ Research and Development Projects

To advance resource circulation, efforts are needed not only to reduce waste generation but also to stabilize the composition of byproducts that can be reused as raw materials, increase the recovery rate of valuable metals, and establish quality standards with external recycling partners. YOUNG POONG is contributing to the promotion of the circular economy through various R&D activities, such as recycling low-grade silver by-products, improving recovery rates, and developing rare metal extraction processes. Furthermore, the company is establishing an "Infinite Closed Loop System" in which resources and energy circulate through a proprietary process of LiB FE&R (Fuming, Extracting & Recirculation) process for recycling rechargeable batteries. Based on integrated dry and wet processing technologies, this process efficiently recovers key minerals, such as lithium, nickel, cobalt, and copper, from spent batteries and minimizes waste generation by reintroducing residues from wet processes into dry processes. The company also conducts R&D to maximize resource utilization efficiency and stabilization of impurities through measures such as energy recovery via waste heat recovery.

Production Stage _ By-product recycling and reintroduction into the process

YOUNG POONG's main product, Zinc Ingot, is produced through a four-step process consisting of roasting, leaching/purification, elctrolysis, casting. This process produces high-purity zinc ingots with a purity of 99.995%. During the zinc smelting process, sulfuric acid is produced, and valuable metals such as copper and silver are recovered from smelting by-products through the pyrometallurgical process for zinc residues. As for other zinc by-products, the company reuses zinc oxide products from subcontracted processing. The final product clean slag is sold as raw material for cement, to minimize waste disposal and promote resource recycling. Meanwhile, the pyrometallurgical process for zinc residues is designed to further recover zinc from the residue remaining after calcination and is a core technology for increasing the recovery rate of valuable metals from the residue. Additionally, the steam generated during the process is reused as a heat source, and waste heat is reused on-site through a waste heat power generation process.

Category	Resource Recovery Route	Key Management Measures	Expected Benefits
Zinc Residue	Recovery of zinc and valuable metals such as copper and silver through processes such as pyrometallurgical process for zinc residues.	Analysis of residue composition, improvement of recovery rates, and reduction of final residue volume.	Improved raw material recovery rate, waste reduction, and recovery of the value of valuable metals.
Zinc By-products	Reuse within the process; for some materials, reuse after subcontracted processing.	Criteria for recoverable material composition and formulation management, process impact monitoring.	Reduction in raw material usage.
Clean Slag	Conversion into external resources, such as cement raw materials.	Composition and hazard assessment, identification of resource utilization markets, and quality stabilization.	Reduction of landfill and treatment burdens; contribution to raw material substitution in the construction and cement industries.
Steam and Waste Heat	Reuse of energy within the process.	Management of steam and waste heat recovery, energy intensity improvement.	Reduction of energy consumption and indirect emissions.

Disposal Phase _ Review of Waste Reduction Technologies

YOUNG POONG is reviewing the feasibility of applying dewatering and drying technologies to reduce the final volume of waste generated at the facilities and to improve treatment efficiency. These technologies reduce the moisture content in waste, which decreases the weight and volume, and helps mitigate the financial burden and environmental impact associated with transportation and outsourced treatment, and for certain types of waste, they increase the potential for recycling or resource recovery. The company is also reviewing the adoption of resource recovery technologies and facilities for certain types of waste. YOUNG POONG plans to comprehensively evaluate factors such as waste characteristics, moisture content, treatment costs, energy consumption, and recycling potential to gradually implement effective waste reduction measures.

Resource Recycling and Circular Economy

RISK MANAGEMENT

Resource Circulation Risk Management Process

YOUNG POONG operates an integrated management system linking regulatory compliance, raw material and supply chain management, waste treatment operations, resource recovery technology reviews, and ESG disclosures. Through this framework, the company is able to systematically manage environmental, operational, and regulatory risks that may arise throughout the entire resource circulation process.

Management Areas	Key Activities	Management System
Regulatory and Policy Management	Monitoring changes in relevant regulations and policies, including the Waste Management Act, the Act on the Promotion of the Transition to a Circular Economy Society, the Chemical Substances Control Act, and the requirements under the Integrated Environmental Permit.	Operated in conjunction with environmental committees and the ESG reporting system.
Raw Materials and Supply Chain Management	Evaluation of secondary raw material suppliers, composition analysis, management of acceptance criteria, and review of contract and quality terms.	Coordinated between the Raw Materials Team, procurement teams, and environmental management units.
Operations and Processing Management	Inspection of waste storage facilities; management of waste generation, transportation, and disposal records; on-site audits of contracted disposal companies and verification of the suitability of recycling facilities.	On-site inspections and regular reporting for by-products and waste.
Research and Technology Management	Monitoring the composition of residues, dust, and slag; conducting process re-input tests; and reviewing resource recovery technologies.	Task management for R&D units and production teams.
Performance and Disclosure Management	Collection and management of key data, such as secondary raw material usage, recycling volume, waste generation, and recycling rates.	Joint management of sustainability reports and ESG disclosures.

TARGETS & METRICS

Resource Circulation Management Goals and Metrics

YOUNG POONG has established mid to long term resource circulation management goals and regularly monitors the relevant performance indicators.

Category	Unit	2023	2024	2025	Mid-Term (2026–2030)	Long-Term (2030–2050)
Non-renewable raw (and auxiliary) materials	metric tons	604,780	387,340	329,450	· Review of technology, laws, and quality standards to increase usage · Stricter quality control of suppliers and sorting processes	· Recycled raw material usage rate of 15% or higher
Recycled raw (and auxiliary) materials	metric tons	32,270	36,461	28,433		
Recycled raw material usage rate	%	5.0	8.6	7.9		

Resource Recycling and Circular Economy

PERFORMANCE

Hazardous Waste and Waste Management

In accordance with the Waste Management Act, waste is classified according to its source and managed in categories of designated waste, general industrial waste, and construction waste. For new contracted waste disposal companies, the company provides hazard information in advance and notifies the contractor of potential risks through work plans. When handling liquid waste, the company requires the use of protective equipment that meets the standards for hazardous chemicals. The entire process, from waste generation to final disposal, is tracked and managed in real time through the Allbaro System. The company also evaluates the waste disposal contractors on an annual basis, comprehensively reviewing the adequacy of permits and licenses, regulatory compliance, and disposal capabilities, and incorporates the evaluation results into contract management.

Technological Innovation and Patents

Spearheaded by the Central Research Institute, YOUNG POONG continuously engages in active research and development in its pursuit of better product quality, manufacturing methods and processes across the board. As of April 2026, YOUNG POONG holds a total of 25 domestic and international patents (19 registered, 6 pending). Notably, in 2025, the company secured a patent related to a lithium recovery process which improves the efficiency of recovering valuable metals from spent batteries. This serves as a foundation for reducing dependence on raw material mining and contributing to the realization of a circular economy.





YOUNG POONG Patent Status

Category		Patent Number	Title of Invention	Status	Date
Domestic	Zinc	No. 10-1707089	Eco-friendly Zinc Smelting Process	Registered	February 9, 2017
	Zinc	No. 10-1819219	Anode Structure for Electrolytic Smelting, Method of Manufacturing the Same, and Electrolytic Smelting Apparatus Including the Same	Registered	January 10, 2018
	Zinc	No. 10-1884396	Non-ferrous Metal Electrolytic Smelting System Using Multiple Electrolyte Supply and Discharge Pipes Registered	Registered	July 26, 2018
	Zinc	No. 10-1884400	Non-ferrous Metal Electrolytic Smelting System Equipped with a Sludge Treatment Device at the Bottom of the Electrolytic Cell	Registered	July 26, 2018
	Zinc	No. 10-2044481	Method for Recovering Cobalt from Byproducts Generated During the Zinc Smelting Process	Registered	November 7, 2019
	Zinc	No. 10-2063246	Zero Liquid Discharge (ZLD) Process	Registered	December 31, 2019
	Zinc	No. 10-2095495	Thallium Removal Method in the Zinc Smelting Process	Registered	March 25, 2020
	Pre-treatment	No. 10-2658019	Pre-treatment Apparatus for Waste Batteries and Pre-treatment Method Using the Same	Registered	April 17, 2024
	Pre-treatment	No. 10-2949025	Raw Material Forming Method	Registered	April 1, 2026
	Pre-treatment	No. 10-2023-0172296	Method for Recycling Active Materials from Waste Lithium-Ion Batteries Using Heat Treatment and Immersion Leaching	Pending	Dec. 1, 2023
	LIB	No. 10-2252019	Method for Recovering Valuable Metals from Waste Secondary Batteries	Registered	May 10, 2021
	LIB	No. 10-2541261	Method for Recovering Lithium from Waste Lithium-ion Secondary Batteries Using Pyrometallurgical Smelting (LiCl)	Registered	June 2, 2023
	LIB	No. 10-2639566	Lithium Recovery Method (Li2S)	Registered	February 19, 2024
	LIB	No. 10-2641852	Method for Recovering Lithium from Waste Lithium Batteries (Li2SO4)	Registered	February 23, 2024
	LIB	No. 10-2868934	Lithium Recovery Method (Boron)	Registered	September 30, 2025
	LIB	No. 10-2949026	Method for Recovering Valuable Metals from Waste Lithium Batteries Using a Rotating Vertical Cylindrical Furnace	Registered	April 1, 2026
	LIB	No. 10-2023-0072792	Method for Recovering Valuable Metals in Metallic Form from Waste Lithium Batteries	Pending	June 7, 2023
	LIB	No. 10-2025-0137071	Method for Recovering Valuable Metals from Waste Lithium-Ion Batteries Using a Two-Step Dry Process	Pending	September 23, 2025
	Li Capture	No. 10-2712139	Method for Recovering Valuable Metals Using a Condenser	Registered	September 25, 2024
	Li Wet Process	No. 10-2691392	Conversion Method of Lithium Fluoride	Registered	July 30, 2024
	Li Wet Process	No. 10-2023-0131691	Method for Improving the Recovery Rate of Valuable Metals	Pending	October 4, 2023
Overseas	LIB	US12359280B2	Method for Recovering Lithium from Spent Lithium-Ion Batteries Using a Dry Fusion Process (LiCl, U.S.)	Registered	April 17, 2025
	LIB	P7762234 - Japan	Lithium Recovery Method (Li2S) - Japan	Registered	October 2, 2025
	LIB	PCT/KR2023/012262	Lithium Recovery Method (Li2S) - PCT (5 Countries)	International Publication	August 18, 2023
	LIB	PCT/KR/2024/000845	Method for Recovering Lithium from Waste Lithium Batteries (Li2SO4) (6 Countries)	International Publication	January 17, 2024

Protection of Natural Capital

GOVERNANCE

Natural Capital Protection Management System

YOUNG POONG adopts a governance framework to systematically manage potential impacts on natural capital and biodiversity that may arise during business operations. The ESG Committee, which consists of the CEO and key decision-makers, reviews risks related to biodiversity loss and natural capital degradation, deliberates on response measures, and manages and oversees key matters related to biodiversity conservation, restoration, and expansion. The Sustainability Management Team serves as the dedicated organization responsible for implementing the Biodiversity Protection Policy, carrying out biodiversity impact assessments, operating inspection procedures, monitoring performance, and conducting conservation activities.

Natural Capital Protection Governance Structure



STRATEGY

Biodiversity Strategy

YOUNG POONG recognizes the importance of ecosystem and biodiversity conservation in business operations and has established and implemented a Biodiversity Protection Policy to minimize the environmental impact of business activities. Based on this Policy, the company carries out management activities that take into account the ecosystem functions of the regions where the facilities are located and continues its efforts to mitigate risks related to natural capital. The company has also established and operates a systematic management system to strengthen the management of ecosystems and biodiversity. Using the TNFD (Task Force on Nature-related Financial Disclosures) guidelines, a global natural capital disclosure framework, and the LEAP (Locate, Evaluate, Assess, Prepare) approach, the company evaluates the impact of its business activities on ecosystems and analyzes and manages related risks. The evaluation results are incorporated into the management during strategy formulation and leveraged for natural capital risk management. YOUNG POONG has also established biodiversity-related goals based on the Kunming-Montreal Global Biodiversity Framework and plans to continuously promote ecosystem conservation and biodiversity enhancement activities by formulating mid to long term implementation tasks to achieve our goals.

Biodiversity Protection Policy

RISK MANAGEMENT

Biodiversity Risk Analysis Procedure

LOCATE	EVALUATE	ASSESS	PREPARE
Step1. Identification of Points of Interaction with Nature	Step2. Dependency and Impact Analysis	Step3. Biodiversity Risk Assessment Near the Facility	Step4. Preparation of Response and Disclosures
▸Identify the facility's location in relation to the points of interaction with the biodiversity pool and ecosystems. ▸Assess the current state of biodiversity near the facility	▸Use the ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure) tool to analyze the actual or potential impacts and dependencies of operations at relevant facilities on biodiversity and ecosystems.	▸Analyze biodiversity risks for each domestic facility using the World Wide Fund for Nature (WWF) Risk Filter Suite.	▸Develop mitigation action plans for each domestic and international facility to minimize biodiversity risks. ▸Establish monitoring indicators and track the effectiveness of mitigation measures.

Identification of Facility Locations

YOUNG POONG selected the Sukpo Smelter, which has the highest level of nature-related dependencies, impact, and regulatory exposure, as a top priority site for assessing nature-related risks. The company identified endangered species within the administrative district where the facility is located, using the National Natural Environment Survey as the primary reference. The identified endangered species were classified as those managed by the government (Classes 1 and 2) as well as those corresponding to the VU (Vulnerable), EN (Endangered), and CR (Critically Endangered) categories under the National Red List Assessment. In addition, the IBAT (Integrated Biodiversity Assessment Tool) was used to identify species within protected areas within a 50-kilometer radius.

Species Habitat Status Near the Facility

(Unit: Species)

PAs[1]	KBAs[2]
99	0
Endangered Species	**National Red List**
16	10

1) Protected Areas 2) Key Biodiversity Areas

Protection of Natural Capital

RISK MANAGEMENT

Dependency and Impact Analysis

Using the ENCORE tool YOUNG POONG identified the potential dependencies and impacts of the target business on nature. Dependency refers to the benefits a company derives from the ecosystem services provided by natural capital, while impact refers to negative changes to natural capital, such as air pollution and water resource depletion, resulting from the company's business activities. The non-ferrous metal manufacturing sector, in which YOUNG POONG operates, showed an overall dependency on key ecosystem services at a "Medium" level or lower, with no high levels of dependency. Meanwhile, key impact factors, such as pollution generation, emissions of air pollutants other than greenhouse gases, and discharges of toxic pollutants into water and soil, were identified as being at very high levels. Based on the analysis results, the company is reviewing management tasks related to natural capital and referencing them in establishing goals for natural capital protection and management activities.

Dependency and Impact Heatmap

Very Low Low Medium High Very High

Category			Dependency and Impact Level
Dependency	Provisioning Services	Water Supply	M
	Regulatory and Maintenance Services	Rainfall Pattern Regulation	M
		Water Purification	M
		Air Filtration	M
		Water Flow Control	M
		Flood Mitigation	M
		Storm Mitigation	M
		Global Climate Regulation	VL
		Regional Climate Regulations	L
		Soil and Sediment Conservation	L
		Solid Waste Management	L
Impact	Impact Factors	Pollution (Light, Noise, etc.)	VH
		Greenhouse Gas Emissions	M
		Air Pollutants Emissions other than Greenhouse Gases	H
		Solid Waste Generation and Disposal	M
		Land Use Area	L
		Discharge of Toxic Pollutants into Water and Soil	VH
		Emissions of Nutrient Pollutants into Water and Soil	M
		Water Consumption	L

Biodiversity Risk Analysis

YOUNG POONG conducted an analysis using the WWF Risk Filter Suite to identify potential risks related to biodiversity and ecosystem use at the Sukpo Smelter site. Through this analysis, the company identified physical and reputational risks in the region where the site is located. Physical risks to biodiversity refer to risks arising from the company's dependence on nature and its vulnerability to changes in terrestrial and marine environments. In contrast, reputational risks refer to risks related to the perceptions of local communities and stakeholders regarding whether the company is conducting responsible management with respect to biodiversity. The analysis results showed that YOUNG POONG was assessed at a level exceeding a composite score of 3.4, confirming the existence of biodiversity-related risks. In particular, high levels of risk were identified in the indicators for pressures on biodiversity and additional reputational factors. Pressures on biodiversity include factors that affect ecosystems as a whole, such as changes in land, freshwater, and marine use; loss of forest canopy; the spread of invasive species; and pollution, suggesting a high need for biodiversity management. Meanwhile, additional reputational factors include media scrutiny, the political and regulatory environment, the risk response readiness, and whether the area is of international concern; this implies that the company's business activities may be exposed to social backlash, regulatory restrictions, and demands from investors and local communities. Accordingly, YOUNG POONG plans to strengthen its biodiversity management system, including the protection of forests and wild flora and fauna, and implement phased response measures to mitigate reputational risks among stakeholders.

Results of Biodiversity Risk Site Identification

Very Low Low Medium High Very High

Risk Type	Indicator		Risk Level
Physical Risk	Overall		3.4
	Supply Services	· Availability of water resources, forest productivity · Availability of wild flora and fauna	3.1
	Infrastructure Development	· Water quality, air quality, soil/ecosystem conditions · Moisture	2.7
	Mitigation Functions	· Landslides, wildfires, pests, and diseases · Heat waves, typhoons	3.4
	Pressures on Biodiversity	· Loss of forest canopy · Pollution	4.0
Reputational Risk	Overall		3.8
	Environmental Factors	· Protected areas, KBA · Ecosystem condition, habitats of rare species	3.3
	Socioeconomic Factors	· Protection of indigenous peoples, labor/human rights · Financial inequality	2.9
	Additional Reputation Factors	· Media scrutiny, the region's international significance · Political situation, risk response level	4.4

Protection of Natural Capital

RISK MANAGEMENT

Water Risk Analysis

YOUNG POONG used the WWF Water Risk Filter Suite to assess specific risk factors and identify areas with high water risks among domestic business sites. The detailed categories of water risks defined by the WWF are divided into physical risks, regulatory risks, and reputational risks. Physical risks refer to the impact on business operations caused by changes in the watershed environment, such as water scarcity, drought, flooding, and water pollution, while regulatory risks include the impact of changes in water management policies and systems. Reputational risks refer to risks arising from the perception of local communities and stakeholders regarding responsible water management. The assessment results showed that no site had a water risk score exceeding 3.4, confirming that there are no high-risk areas.

Results of Water Risk Site Identification

Risk Type	Indicator	Risk Level
Physical Risks	Overall	2.4
	Water Availability	2.4
	Drought	2.5
	Floods	2.0
	Water Quality	3.4
	Ecosystem Services	2.9
Regulatory Risks	Overall	1.6
	Underlying Environment	2.0
	Institutions and Governance	1.5
	Management Tools	1.6
	Water, Sanitation, and Hygiene Infrastructure	1.0
Reputation Risks	Overall	2.8
	Environmental Factors	2.8
	Socioeconomic Factors	1.7
	Other Reputation Factors	3.8

Very Low Low Medium High Very High

TARGETS & METRICS

Natural Capital and Biodiversity Metrics

YOUNG POONG manages key biodiversity indicators based on the TNFD core metrics to systematically manage risks and impacts related to natural capital and biodiversity. Going forward, the company plans to gradually expand the scope and range of indicators it manages in response to changes in global biodiversity regulations and disclosure standards.

No.	TNFD Core Metrics	Unit	Company	Place of Business	FY2025
C1.0	Area	m^2	YOUNG POONG	Sukpo Smelter	498,692
C2.1	Total Water Discharge	m^3	YOUNG POONG	Sukpo Smelter	13,851
	Concentration of Pollutants in Discharge Water - BOD	ppm	YOUNG POONG	Sukpo Smelter	0
	Concentration of Pollutants in Discharge Water - TOC	ppm	YOUNG POONG	Sukpo Smelter	0
	Concentration of Pollutants in Discharge Water - SS	ppm	YOUNG POONG	Sukpo Smelter	0
C2.2	Total Waste Generated	ton	YOUNG POONG	Sukpo Smelter	282,367
	Total General Waste Generated	ton	YOUNG POONG	Sukpo Smelter	112,211
	General Waste Incinerated	ton	YOUNG POONG	Sukpo Smelter	1,077
	General Waste Landfilled	ton	YOUNG POONG	Sukpo Smelter	2,401
	General Waste Recycled	ton	YOUNG POONG	Sukpo Smelter	108,733
	Total Designated Waste Generated	ton	YOUNG POONG	Sukpo Smelter	168,682
	Designated Waste Incinerated	ton	YOUNG POONG	Sukpo Smelter	53
	Designated Waste Landfilled	ton	YOUNG POONG	Sukpo Smelter	152,225
	Designated Waste Recycled	ton	YOUNG POONG	Sukpo Smelter	16,404
C2.4	Air Pollutant Emissions - PM	ton	YOUNG POONG	Sukpo Smelter	19.33
	Air Pollutant Emissions - NOx	ton	YOUNG POONG	Sukpo Smelter	18.38
	Air Pollutant Emissions - VOC	ton	YOUNG POONG	Sukpo Smelter	7.56
	Air Pollutant Emissions - SOx	ton	YOUNG POONG	Sukpo Smelter	13.38
C3.0	Water Sources in Water-Scarce Areas	Water Source	YOUNG POONG	Sukpo Smelter	Nakdong River
	Water Withdrawal Volume in Water-Scarce areas	m^3	YOUNG POONG	Sukpo Smelter	0

Protection of Natural Capital

TARGETS & METRICS

Natural Capital and Biodiversity Targets

YOUNG POONG has established a plan for managing natural capital and biodiversity based on the 2050 Vision and 2030 Action Targets of the Kunming-Montreal Global Biodiversity Framework (GBF). Through this plan, the company aims to build a sustainable business operation system that minimizes the loss of natural capital and contributes to biodiversity conservation.

GBF 2030 Action Targets	YOUNG POONG's Biodiversity Conservation Activities
Target 1. Plan and manage all areas to reduce biodiversity loss	Assess the status of ecologically sensitive areas and protected species in the vicinity of the workplace
Target 2. Restore 30% of degraded terrestrial, inland water, marine, and coastal ecosystems by 2030	Improve water quality in streams near the workplace, including the stable operation of a zero liquid discharge (ZLD) system
Target 4. Halt species extinction, protect genetic diversity, and manage human-wildlife conflict	Monitor the impact on the ecosystem surrounding the workplace and reviewing local environmental management activities
Target 6. Reduce the influx of invasive alien species by 50% and minimize their impact on ecosystems	Improve water quality in streams near the workplace and remove invasive species
Target 9. Ensure sustainable management and use of wild species, protection of wild species, and social, economic, and environmental benefits for all people	Formulate and announce biodiversity policies
Target 11. Restore, maintain, and enhance the benefits that nature provides to people	Monitor and manage water usage and pollutants
Target 12. Expand green spaces and strengthen urban planning for human well-being and biodiversity	Review ecological conservation activities in collaboration with expert institutions
Target 15. Assess, disclose, and mitigate biodiversity-related risks and negative impacts	Assess and disclose biodiversity dependency and its impact

PERFORMANCE

Risk Management Activities

YOUNG POONG is working to prevent and minimize activities that could have a negative impact on nature, and to restore the health of damaged or degraded ecosystems based on the SBTN's AR3T (Avoid, Reduce, Restore, Regenerate, Transform) framework. Through these efforts, the company aims to minimize the impact on natural capital and biodiversity that may arise during its business operations and establish a sustainable business operating system that coexists with local communities. The company systematically manages key environmental impact factors, including air, water quality, soil, waste, and chemicals, and plans to continue to expand its activities to minimize the impact on the ecosystems and local communities around the workplace.

AR3T	YOUNG POONG's Natural Capital and Biodiversity Conservation Activities
Avoid	At the investment and new development/expansion planning phase, conducting a preliminary review of ecologically sensitive areas and protected species in the vicinity of the workplace to minimize the impact on the ecosystem: Conducting a preliminary review of environmental and ecological impacts prior to project implementation
Avoid	Minimizing pollution of external water systems and impacts on aquatic ecosystems through the operation of the zero liquid discharge (ZLD) system : Expanding the reuse of process water and monitoring of the lower Nakdong River basin in real time
Reduce	Strengthening the monitoring of air pollutants through stack TMS and self-monitoring, and implementing internal emission control standards that are stricter than statutory standards : Improving dust collection, desulfurization, and denitrification facilities, and replacing aging equipment
Reduce	Activities to reduce environmental impacts caused by airborne dust and chemical substances : Installing airborne dust control facilities, updating MSDSs, and conducting chemical accident drills
Reduce	Expanding recycling of waste and by-products and increasing the use of circular resources : Reviewing the potential for recycling byproducts and expanding the use of secondary raw materials
Reduce	Operating a management system covering the entire process of waste generation, transportation, and treatment : Regular evaluations of waste treatment contractors and enhanced management of sealing, waterproofing, and signage at storage facilities
Restore & Regenerate	Monitoring to minimize environmental impacts on soil and groundwater around the workplace : Regular monitoring of soil and groundwater, and strengthened management of waterproofing, dust control, and water resistance at storage areas for raw materials and by-products
Restore & Regenerate	River and waterside cleanup activities in collaboration with the local community : Plogging and other environmental cleanup activities along the Nakdong River
Transform	Reviewing ecological conservation activities in collaboration with local governments, specialized agencies, and environmental organizations, and working to establish a framework for cooperation : Promoting ecological improvement and restoration activities based on regional ecological indicator species, such as mosses
Transform	Advancing natural capital and biodiversity risk management system : Strengthening prevention-oriented management based on ecological impact assessments and environmental monitoring

River Cleanup Activities

YOUNG POONG works with the local community to carry out environmental cleanup activities aimed at protecting rivers and riverside environments. In April 2025, the company organized a "Clean Plogging" event, in which smelter workers and officials from Seokpo-myeon participated together to clean the local environment and promote a culture of integrity. Additionally, in July 2025, the Hanmaeum Volunteer Group held a plogging event along the Nakdong River, cleaning up the riverside environment and collecting waste. Moving forward, the company plans to strengthen its organic cooperative framework with the local community and expand its efforts to protect the natural environment beyond the workplace, thereby contributing to ecosystem conservation and the creation of a sustainable local community.



Plogging

SOCIAL



봉화 석포마을 공모전
디자인 부문 동상

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Supply Chain Management

GOVERNANCE

Supply Chain Due Diligence and Responsible Minerals Management System

YOUNG POONG operates a sustainable supply chain system designed to manage ESG risks across the supply chain and support responsible decision-making throughout the procurement process. The system operates under the supervision of the ESG Committee and senior management. This system clearly defines the roles and responsibilities of relevant departments and links them to the performance management system to ensure effective implementation. Senior management receives reports on the status of supply chain due diligence and key risks through management reviews and strengthens the effectiveness of the management system by directing corrective actions when necessary. Furthermore, to ensure that supply chain due diligence activities go beyond mere procedural compliance, the company regularly reviews the results of each department's work and incorporates the results into individual and organizational performance evaluation metrics.

Supply Chain Management Governance Structure

Management and Supervision	ESG Committee	Ultimate supervision of and compliance review for the entire supply chain due diligence management system
	Executives of Raw Materials Team	Overall supervision of due diligence activities, review of risk assessment results, and key decision-making
Department in Charge	Raw Materials Team / Materials and Equipment Team	Supply chain mapping, risk data collection and assessment, design and implementation of risk mitigation strategies, responding to supplier due diligence regarding responsible minerals, and reporting on supply chain due diligence results
Relevant Departments	Sustainability Management Team	Development and support of related policies, development of educational materials, management of certification processes, publication of sustainability reports, and evaluation of the effectiveness of the due diligence management system at least once a year
	Compliance Management Team	Receiving, investigating, and following up on reports submitted through the supply chain hotline, and operating a reporting system for suspicious transactions and criminal activities
	Production Planning Team	Development of production plans, registration and management of production items in the ERP system, and maintenance of the consistency of production information
	Planning Team	Overall responsibility for ensuring the consistency and reliability of data entered in the ERP system
	Quality Assurance Team	Ensuring the accuracy of product traceability information
	Logistics Team	Accurate recording of receipt and shipment data in the ERP system, conducting regular physical inventory counts, and maintaining transparency and traceability of inventory usage and movement
	Human Resources Management Team	Providing guidelines and conducting training for relevant departments on supply chain management

STRATEGY

Strategy for Sustainable Supply Chain Management

Guided by its philosophy of continuously striving to achieve the sustainable growth of all companies within its supply chain and to build a robust supply chain, YOUNG POONG operates the following strategy for sustainable supply chain management.

Strategy for Sustainable Supply Chain Management

Creating an Eco-Friendly Ecosystem	Fair and Transparent Transactions	Enhancement of Supply Chain Management System	Responsible Minerals Policy	Compliance Management
Aspiring to become a global leader in sustainable supply chain management	Collaborating with suppliers to resolve issues and strengthen global competitiveness	Addressing human rights, environmental, and safety risks	Minimizing negative impact in conflict-affected and high-risk areas	Building sustainable supply chains through effective responses to human rights, resource depletion, and corruption issues

Supply Chain ESG Management Policy

To systematically manage and minimize ESG risks throughout its supply chain, YOUNG POONG has established and implemented a Supply Chain ESG Management Policy that reflects the core principles of major global standards. This policy is based on global standards and frameworks, including the Responsible Business Alliance (RBA), the K-ESG Guidelines, the EU Corporate Sustainability Due Diligence Directive (CSDDD), and the OECD Due Diligence Guidance for Responsible Business Conduct. In addition, YOUNG POONG operates a grievance handling procedure that allows stakeholders to raise concerns and inquiries anonymously to identify supply chain ESG risks early-on and enhance stakeholder engagement.

Supply Chain ESG Management Policy ➤

Supply Chain Management

STRATEGY

Responsible Minerals Sourcing Policy

YOUNG POONG operates a conflict minerals and responsible minerals management system to source minerals sustainably and ethically, and to establish responsible sourcing practices throughout its supply chain. In line with this effort, the company has also revised its Responsible Minerals Sourcing Policy in 2025. YOUNG POONG complies with international guidelines and standards such as the Responsible Minerals Initiative (RMI) Due Diligence Guide, the OECD Due Diligence Guidance, and the Extractive Industries Transparency Initiative (EITI). It does not conduct business with suppliers who do not adhere to the conflict minerals management principles and standards based on Annex II of the OECD Guidance. All mined and recycled minerals that are introduced, held, or processed for the purpose of producing zinc ingots, which are the company's core raw materials, are subject to management. In addition, YOUNG POONG is establishing in-house processes to manage conflict minerals that may be sourced from conflict-affected and high-risk areas and to continuously monitor risks such as human rights violations, environmental damage, and the inflow of conflict funds. Furthermore, the company transparently discloses information related to mineral sourcing on an annual basis through its Responsible Minerals Report and requires all direct and indirect suppliers to comply with its responsible sourcing policy.

Responsible Minerals Sourcing Policy ▶ Responsible Minerals Report ▶

Partners Code of Conduct

YOUNG POONG has introduced the Partners Code of Conduct to ensure that its suppliers and business partners protect human rights and the environment and conduct business in a responsible manner. Adherence to the Partners Code of Conduct is specified as a condition in all contracts with its suppliers and business partners. It sets forth the basic principles the company's business partners must adhere to in the areas of human rights, health and safety, the environment, ethics, and management systems, including provisions prohibiting child labor and forced labor, and applies to all domestic and international business partners, their officers and employees, agencies, subcontractors, and the downstream supply chain. Based on this Partners Code of Conduct, which was developed in accordance with the UN Guiding Principles on Business and Human Rights and the Responsible Business Alliance (RBA) Code of Conduct, the company assesses its partners' compliance and management practices, specify these requirements in supply contracts, and, when necessary, take follow-up measures such as conducting due diligence and requesting corrective actions.

Partners Code of Conduct ▶

Risk Assessment and Management Policy

YOUNG POONG enacted the Risk Assessment and Management Policy in 2025 to establish criteria for assessing and managing risks associated with the mining and smelting of minerals. Each year, YOUNG POONG assesses the risk of all suppliers based on criteria such as CAHRA status, OECD Annex II Risks, red flags, and transparency of origin. If a supplier is classified as "High Risk," the company conducts in-depth due diligence, develops and implements a corrective action plan, and regularly monitors the results. This process is conducted annually and applies to all new suppliers. The policy covers not only the zinc and copper supply chain but also the supply chains for scrap and processed raw materials.

Risk Assessment and Management Policy ▶

RISK MANAGEMENT

Monitoring and Management Process

YOUNG POONG is establishing and implementing the step-by-step due diligence procedures set forth in the OECD Due Diligence Guidance for Responsible Mineral Supply Chains from Conflict-Affected and High-Risk Areas (CAHRAs) and its Annexes. In 2025, the company enhanced its overall policy framework, established relevant processes, identified risks within its actual supply chain, and developed risk mitigation processes.

01 Establishment of a robust and responsible procurement management system

- Develop supply chain policies and incorporate them into contracts in accordance with the OECD Guidance
- Establish a dedicated organization and a management accountability system
- Operate a supply chain tracking system and data management framework
- Provide training to suppliers and operate a grievance mechanism

02 Implementation of the Supply Chain Risk Management Process

- Develop an annual assessment plan and conduct basic supplier due diligence (KYC)
- Identify CAHRAs and map the supply chain
- Identify and assess key risks (pinch points) in the supply chain

03 Development and implementation of a plan to address identified risks

- Develop and implement response plans based on risk assessment results
- Report to management and initiate the decision-making process
- Monitor supplier compliance and conduct regular evaluations

04 Independent third-party verification

- Conduct due diligence based on the supplier's risk level
- Require third-party certification and external verification as needed

05 Report on the results and activities of responsible procurement management

- Report results of the annual due diligence to management
- Public disclosure via the sustainability report and the company website

Supply Chain Management

RISK MANAGEMENT

2025 Risk Assessment Process and Results

Phase	Description	Indicator	Definition	No. of Cases
Identification of Suppliers	Basic due diligence (KYC) to verify the identity of each supplier, the nature of the business relationship, and the legality of their business operations	Number of suppliers under review	Number of suppliers included in the supply chain due diligence during the reporting period	18
		Number of transactions during the target period	Total number of transactions during the reporting period	165
Identification of CAHRAs	Design and implementation of reasonable procedures to determine whether there are CAHRAs, as defined in the OECD Guidance, in the supply chain	Number of high-risk sanctions screening cases	Number of high-risk transactions in which a connection to sanctioned entities was identified following a comparison with major sanctions lists, such as those of the UN, OFAC, and the EU	0
		Number of origin CAHRA screenings	Number of transactions in which the origin or transport route of the minerals was identified as being linked to a CAHRA	23
Identification of Supply Chain Risks	Identification of supply chain risks, creation of supply chain maps, and identification of pinch points for the identified regions	Number of Red Flag identifications	Number of transactions in which potential Red Flags—such as country of origin, transaction structure, and transportation routes—were identified during the supply chain due diligence process	31
Assessment of Supply Chain Risks	Comparison of the actual situation with the risk factors included in the model supply chain policy in Annex 2 of the OECD Guidance to assess the presence and severity of risks within the supply chain,	Number of Annex II Risk reviews	Number of Red-Flag transactions for which enhanced due diligence was conducted in accordance with OECD Annex II Risks	23
Measures	Establishment and implementation of a risk management plan that meets the key requirements and complies with the OECD Guidance in accordance with YOUNG POONG's OECD Due Diligence Guidance and RMI Due Diligence Guide	Number of risk mitigation targets	Number of transactions for which an enhanced due diligence revealed actual risks or identified a risk level, thereby requiring risk mitigation measures	22
			▷A: Transaction continues while the mitigation measure is in effect	7
			▷B: Transaction is temporarily suspended until a corrective action is developed	10
			▷C: Transaction ends	5

TARGETS & METRICS

Key Achievements in 2025 and Future Plans

In 2025, YOUNG POONG comprehensively enhanced its policies, processes, and due diligence systems to strengthen the transparency and management framework of its responsible mineral supply chain. More specifically, YOUNG POONG systematically reorganized various policies and management systems to enhance ESG management standards throughout the entire supply chain and established a responsible procurement system in compliance with global standards. In addition, it enacted anti-corruption policies, supply chain ESG management policies, and risk assessment and management policies, while revising the Partners Code of Conduct and the Responsible Mineral Sourcing Policy to further strengthen supply chain management standards. In particular, the company incorporated the OECD Due Diligence Guidance and RMI standards into its policies to ensure suppliers' responsible supply, and clearly defined tiered response criteria, including third-party due diligence recommendations, requests for corrective action regarding non-compliance, and transaction restrictions.

YOUNG POONG also enhanced its management system to ensure supply chain traceability and transparency. It strengthened the reliability and traceability of supply chain information by obtaining policy compliance declarations from suppliers, improving its KYC questionnaire system, and systematically collecting supporting documents related to country of origin and transportation. Furthermore, the company established a system for identifying and assessing risks across the entire supply chain and conducted in-depth due diligence and on-site evaluations of high-risk suppliers to assess potential risks. Based on this, the company has formulated and implemented risk mitigation plans to proactively manage human rights, environmental, ethical, and operational risks in the supply chain. Going forward, YOUNG POONG is committed to strengthen its risk-based supply chain management system, implement tailored responses based on risk levels, and expand on-site audits of high-risk supply chains. In addition, the company intends to enhance its internal management systems and training programs and strengthen responsible procurement capabilities across the entire supply chain.

Supply Chain Management

PERFORMANCE

Mutual Growth with Partners

YOUNG POONG recognizes sustainable mutual growth with its partners as a key corporate value and operates various partnership programs and support activities to establish a supply chain management system based on mutual cooperation. It actively participates in government-led mutual growth initiatives between large and small/medium-sized enterprises to help enhance its partners' safety management capabilities. The employee in charge of the mutual growth initiatives in the Safety Management Team conducts systematic follow-up activities, including reviewing the results of on-site and follow-up consultations, verifying the adequacy of consultation reports, and reporting relevant findings to the department head. Through these efforts, the company supports partners' efforts to improve occupational health and safety management standards and their ongoing improvement activities. Furthermore, the company is creating a mutually beneficial business culture to maintain stable business relationships with its partners. In 2025, ahead of the Chuseok and Lunar New Year holidays, YOUNG POONG made early payments totaling approximately KRW 6.9 billion to its partner companies to ensure their smooth cash flow and business stability.

Partners' Supply Chain Risk Management

YOUNG POONG requests that all of its suppliers submit a Declaration of Compliance with the Partners Code of Conduct and a Declaration of Compliance with the Responsible Supply Chain Policy annually to ensure compliance with its policies. The company notifies the partners in advance that it may verify compliance through on-site audits. In addition, once a year, the company distributes educational materials directly to suppliers, which include an overview of responsible mineral management, the company's supply chain policy, and the OECD Guidance, to enhance their understanding of responsible sourcing throughout the supply chain and ensure their policy compliance. YOUNG POONG conducted an ESG assessment based on a Self-Assessment Questionnaire (SAQ) for its partners to systematically manage ESG risks across the entire supply chain and evaluate their sustainable management capabilities. The purpose of this assessment was to determine whether the partners have basic management systems in place for environmental, social, and governance issues and to assess the level of their operations, with the aim of identifying future supply chain management priorities and directions for improvement support. Based on the assessment results, the company identified the need to classify risk levels by partner and set management priorities accordingly, and progressively enhanced overall ESG management levels across the supply chain. Building on these findings, YOUNG POONG plans to gradually expand its supply chain ESG management and improvement activities for partners.

Grievance Resolution Mechanism

YOUNG POONG operates a grievance handling channel through which various stakeholders, including all partner companies in its supply chain, can report concerns regarding ethics, environment, labor, and human rights in relation to a responsible minerals supply chain. By explicitly including a section on the partner company grievance handling system in both the Supply Chain ESG Management Policy and the Responsible Minerals Sourcing Policy, anyone, including employees of partner companies, can report concerns through a dedicated channel in cases of policy violations or regarding potential or actual impacts on the mineral supply chain. All concerns reported are investigated and handled in accordance with fair and objective procedures, and appropriate responses and follow-up measures are taken through relevant processes. Furthermore, the confidentiality of the reporter's identity and the details of the report are strictly guaranteed to ensure that no form of disadvantage or retaliation against the reporter will occur.

Grievance Handling Process

Receipt of Report	Investigation	Response and Action	Monitoring and Review for Policy Improvements
· A report is submitted via the "Grievance Channel" on the company's website or by post	· The compliance officer conducts an investigation after verifying the facts of the reported case.	· Depending on the results of the investigation, formal disciplinary action will be considered, or a simplified settlement and agreement will be pursued · The results of the grievance resolution will be recorded and retained, and the details of the resolution will be anonymized before being disclosed	· The company monitors for any irregular situations, such as retaliatory actions, following a report · Analysis of the results of the resolution and incorporation into grievance handling training and internal procedures/documents

Number of Grievances Resolved in 2025



Grievance Resolution Rate

100%

Grievance Channel

Supply Chain Grievance System

Grievance Channel

Supply Chain Management

PERFORMANCE

Supply Chain Management Training

YOUNG POONG continuously conducts training and awareness-raising activities for its employees to enhance the effectiveness of its responsible mineral sourcing and supply chain management systems. Through these efforts, YOUNG POONG is strengthening its ESG risk management capabilities across the entire supply chain and embedding the standards within the organization. The company conducts regular training at least once a year to ensure stable operation of our supply chain management system, and require all relevant employees, including new hires and senior managers, to complete the training. The training is provided to key departments such as Planning, Raw Materials, Materials and Equipment, Compliance, Sustainability Management, Human Resources, Logistics, and Quality, and is designed to strengthen capabilities in responsible mineral sourcing and supply chain due diligence. In 2025, 42 employees took part in the training, compared with an initial target group of 38, achieving a participation rate of over 100%. The training program, based on the OECD Due Diligence Guidance, covered management procedures for proactively identifying, preventing, and mitigating environmental, human rights, and ethical risks that may arise during business operations. YOUNG POONG also enhanced practical understanding of supply chain management through department-specific training on responsible mineral sourcing and supply chain management, supply chain due diligence, and international responsible mineral certification systems. In addition, to strengthen due diligence capabilities across the entire supply chain, the company distributes training materials to its direct business partners and provides guidance to ensure that the content of the training is disseminated down to sub-suppliers, elevating the levels of ESG management across the entire supply chain, including that of its business partners. Going forward, the company will continue to advance its training programs and expand their scope to further strengthen its responsible mineral sourcing and supply chain management systems.



Supply Chain Management Training

RMAP Certification

YOUNG POONG has established a supply chain management system based on global standards to ensure responsible mineral sourcing. In April 2026, the company obtained the RMAP (Responsible Minerals Assurance Process) certification from the Responsible Minerals Initiative (RMI). RMAP is an independent third-party assessment program developed by the Responsible Minerals Initiative (RMI) in which an independent third-party organization verifies unethical risks, such as human rights violations, labor exploitation, environmental damage, and the flow of funds to conflict-affected areas, that may arise during mineral mining and smelting processes. It serves as the leading global standard for evaluating a company's level of responsible mineral management. The London Metal Exchange (LME) requires its members to conduct responsible mineral sourcing and supply chain due diligence, and RMAP is a key requirement for maintaining global trading activities and building brand trust. Through this certification, YOUNG POONG expects to proactively mitigate regulatory risks and strengthen its credibility and competitiveness in the global market.


RESPONSIBLE MINERALS INITIATIVE

Recognition that

CID005224

Young Poong Sukpo Smelter

Completed an assessment against the Responsible Minerals Assurance Process Standard for Zinc 2021

Assessment date: 07/09/2025

Assessment Cycle: 1 year

RBA CEO
Robert Lederer

RMAP Certificate for Zinc


RESPONSIBLE MINERALS INITIATIVE

Recognition that

CID005289

Young Poong Sukpo Smelter

Completed an assessment against the Responsible Minerals Assurance Process Standard for Copper 2021

Assessment date: 07/09/2025

Assessment Cycle: 1 year

RBA CEO
Robert Lederer

RMAP Certificate for Copper


LME
An HKEX Company

The London Metal Exchange
Brand Listing Certificate

This is to certify that Zinc Brand

YP-SHG

produced by

Young Poong Corporation

of 16, Geumdu-gil, Seokpo-Myeon, Bonghwa-gun, Gyeongsangbuk-do, Korea

is listed by The London Metal Exchange as good delivery

against the Zinc Contract.

Signed Fiorella Polifroni Position Brand Operations Assistant

Name Fiorella Polifroni Date 30 October 2025

lme.com

London Metal Exchange Certificate

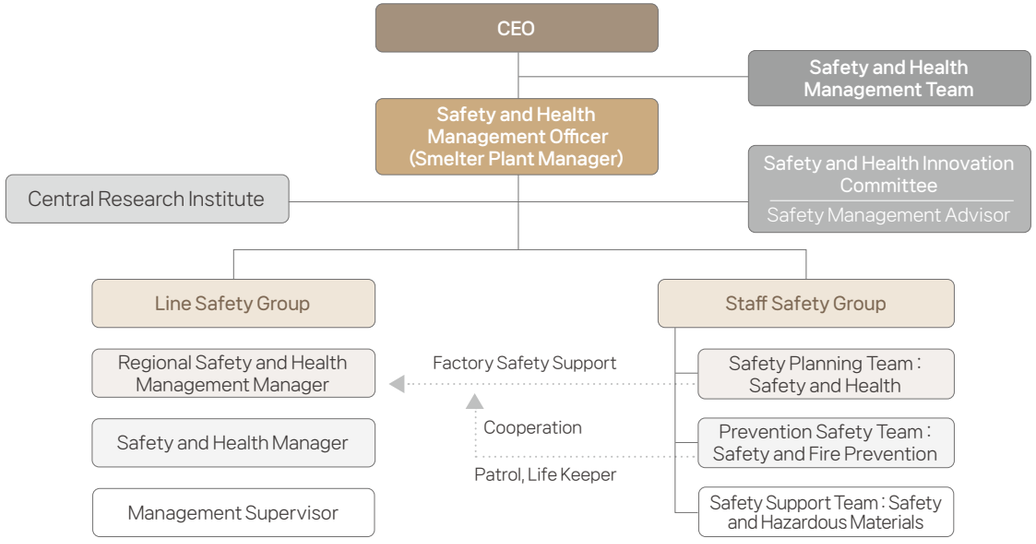
Occupational Health and Safety Management

GOVERNANCE

Occupational Health and Safety Management System

YOUNG POONG operates a structured occupational health and safety governance framework to support professional work and prompt decision-making. The representative director has been designated as the executive in charge of occupational health and safety, and dedicated teams have been established at both the headquarters and on-site to provide guidance on health and safety matters and monitor implementation. The headquarters, led by the Safety and Health Management Team, establishes company-wide occupational health and safety strategies, while the Sukpo Smelter operates the Line Safety Group and the Staff Safety Group separately. Based on this approach, YOUNG POONG deploys specialized safety management personnel and safety managers for each production area, which is effective in strengthening the field-oriented management system. In addition, the company has subdivided its safety management functions into the Safety Planning Team and the Prevention Safety Team, and formed a new Safety Support Team to strengthen its specialized management capabilities in the areas of safety and hazardous materials. Furthermore, by appointing a safety management advisor to the Health and Safety Innovation Committee, the company is building a more systematic and professional foundation for occupational health and safety management.

Occupational Health and Safety Management Structure



Occupational Health and Safety Committee

YOUNG POONG operates an Occupational Health and Safety Committee in accordance with the Occupational Health and Safety Act with a view to promoting the health and safety of employees and creating a pleasant working environment. The Occupational Health and Safety Committee consists of eight employee representatives and eight management representatives, ensuring equal representation from both sides. It meets quarterly to discuss key health and safety issues and the direction of operation of the health and safety management scheme. In 2025, the Committee discussed major on-site health and safety issues, including improvements to the work environment, safety training, facility management, and workplace environment monitoring and management. The Occupational Health and Safety Committee is a key part of the company's efforts to operate a health and safety management system in which both labor and management participate together.

Health and Safety Innovation Committee

To drive systematic innovation in safety management, YOUNG POONG operates the Health and Safety Innovation Committee chaired by the head of the Sukpo Smelter and comprising officers from the production, support, and management divisions. The Health and Safety Innovation Committee meets once per quarter. Based on ten Key Innovation Initiatives, the Committee regularly reviews progress on each Initiative and implements necessary follow-up measures. This way, the company ensures that health and safety management efforts go beyond mere inspections to drive actual implementation and improvement, thereby enhancing the level of field-oriented safety management.

Occupational Health and Safety Council

YOUNG POONG holds monthly meetings of the Occupational Health and Safety Council to strengthen communication on health and safety with its partner companies and contractors and to improve overall safety management standards across all sites. The Council shares information with the heads of partner companies and contractors regarding revisions to occupational health and safety laws and regulations, social issues, accident cases, and new policies and implementation directions of the smelter. The Council is also responsible for discussing site-specific occupational health and safety issues, such as safety rules before starting work, emergency contact procedures, risk assessments, and emergency evacuation procedures.

Occupational Health and Safety Performance Management System

YOUNG POONG integrates its occupational health and safety management capabilities with its performance management system to ensure safe and sustainable workplace operations. The company incorporates environmental and safety factors into team-level Management by Objectives (MBO) evaluations, and comprehensively assesses accident-free management, safe workplace operations, partner company management, improvements to the work environment, strengthening of safety management systems, and the performance of managerial and supervisory roles. Furthermore, the company operates a reward system based on these evaluation results to encourage voluntary safety management activities and foster a safety culture throughout the organization.

Occupational Health and Safety Management

STRATEGY

Health and Safety Management Strategy

YOUNG POONG implements a health and safety management strategy centered on strengthening prevention activities, raising safety awareness, and reinforcing responsible management. To this end, the company has introduced the Health and Safety Management Policy and operates a company-wide health and safety management system led by the representative director and a dedicated department. To facilitate field-oriented prevention activities, it conducts regular on-site and self-inspections, while simultaneously providing training and running campaigns to continuously enhance the safety competencies of employees and workers at partner companies. Through these efforts, the company is embedding a safety culture centered on accident prevention throughout the organization. The company also proactively addresses potential risks by continuously monitoring environmental and safety laws and regulations as well as social issues. Based on these developments, the health and safety management manual and procedures are reviewed and improved. Furthermore, based on the ISO 45001 Occupational Health and Safety Management System certification for the Sukpo Smelter, the company operates a continuous improvement process following the PDCA (Plan-Do-Check-Action) cycle, thereby strengthening the systematic approach and effectiveness of the health and safety management system, which applies to all officers, employees, and partners' workers working at the Sukpo Smelter.

Safety and Health Management Policy ➤ Health and Safety Management Policy ➤

Three Safety and Health Management Strategies

Strengthen prevention activities

Strengthen prevention-focused safety management system through regular risk assessments, identification and mitigation of hazardous factors, and continuous inspection and improvement of equipment and the work environment to prevent accidents before they occur.

Raise safety awareness

Embed safety into organizational culture and promote its practice through company-wide education and training, safety campaigns, and communication initiatives to encourage voluntary participation and behavioral change among employees.

Reinforce responsible management

Establish a practical and sustainable safety management system by clearly defining the responsibilities and roles of everyone—from senior management to frontline employees—regarding occupational health and safety, and by managing safety performance as a KPI

RISK MANAGEMENT

Risk Assessment

YOUNG POONG strives to prevent safety accidents by systematically identifying and eliminating potential hazards through regular risk assessments. The company conducts risk assessments across all processes in both production and administrative/support departments and systematically manages the development of mitigation measures and the implementation of improvements. In the 2025 risk assessment, a total of 2,801 risk factors were identified, of which 282 were confirmed to be at an unacceptable level. Mitigation measures were established and implemented for the identified risk factors, and 248 of those risk factors were successfully addressed, achieving a resolution rate of 87.9%. Furthermore, for processes where accidents have occurred, the company conducts ad hoc risk assessments to immediately re-examine the risk factors in those processes and establish additional mitigation measures, thereby preventing the recurrence of similar accidents.

Regular Inspection and Management of Hazards and Risks

YOUNG POONG operates a regular risks and hazards inspection and management system at its headquarters and the Sukpo Smelter facilities to prevent industrial accidents and create a safe working environment. The company conducts regular inspections tailored to the specific characteristics and process risks of each workplace and systematically manages hazards and risks based on inspection results. In the 2025 inspection led by the Occupational Health and Safety Management Team, a total of 283 items requiring improvement were identified, and corrective actions for 198 of these have been completed. Additionally, the first-half compliance inspection of occupational health and safety laws and regulations conducted jointly with an external firm identified a total of 51 improvement tasks, of which 38 have been addressed. Inspection results are systematically managed in conjunction with corrective actions and follow-up management activities. Issues requiring corrective action are subject to continuous monitoring and follow-up management until the corrective action is fully implemented. Through these efforts, YOUNG POONG aims to proactively eliminate potential hazards and strengthen the effectiveness of its health and safety management system.

Status of Regular Safety Inspections

Site	Details	Frequency
HQ	Compliance inspection of occupational health and safety laws and regulations	Once per half-year
HQ	Monthly compliance inspection for occupational health and safety management	Once per month
HQ	Occupational health and safety compliance assessment	Once per quarter
Seokpo	Accident-free and clean campaign patrol	Once per week
Seokpo	In-house safety inspection by the Production Department	Once per week
Seokpo	Ad hoc safety management assessment (with patrol and Life Keepers)	At all times
Seokpo	Joint patrol	Once per quarter

Occupational Health and Safety Management

RISK MANAGEMENT

Process Safety Management (PSM)

YOUNG POONG aims to ensure process safety at its major workplaces and prevent major industrial accidents through the Process Safety Management (PSM) system. To this end, the company systematically manages hazardous materials and oversees all aspects of the processes in accordance with twelve key guidelines, including process drawings, a list of hazardous materials, HAZOP-based risk assessments, Standard Operating Procedures (SOPs), change control procedures, and emergency response plans. In addition, it periodically evaluates the process safety management level through internal audits and PSM compliance checks and operates a compliance check system that includes submitting quarterly risk alert system checklists to the Center for the Prevention of Major Industrial Accidents.

TARGETS & METRICS

Key Achievements and Future Plans

Based on its mid-to-long-term occupational health and safety objectives, YOUNG POONG aims to continuously strengthen the effectiveness of its occupational health and safety management system and further enhance its safety culture through field-oriented prevention activities and responsible management. To this end, YOUNG POONG is establishing and implementing phased mid to long term strategies and has set targets for reducing the accident rate to systematically manage safety performance. It is committed to doing its utmost to establish accident-free workplaces and achieve sustainable safety management, with the goal of reducing the accident rate by 15% year-over-year in 2026, by 20% in 2027, and by 30% in 2030.

Systematization of Occupational Health and Safety (2024~2025)

Establishing a framework for occupational health and safety management

- Assessing the current status of occupational health and safety management
- Establishing occupational health and safety policies and objectives
- Establishing and inspecting the occupational health and safety management system

Enhancement of Occupational Health and Safety (2026~2027)

Strengthening prevention-oriented safety management

- Strengthening occupational health and safety organization and work competence
- Reinforcing risk assessment execution capability
- Tightening monitoring of occupational health and safety activities
- Promoting participation and communication among employees and workers at partner companies

Internalization of Safety Culture (2028~2029)

Establishing a culture of self-directed safety

- Stabilizing the company-wide occupational health and safety management system
- Establishing a culture of self-directed safety among employees and workers at partner companies
- Implementing management accountability for occupational health and safety

PERFORMANCE

Occupational Safety and Health Management

Work Environment Monitoring System

YOUNG POONG operates an on-site safety management system that proactively identifies and addresses potential hazards at each stage of the work process through pre-task safety meetings, or TBMs (Tool Box Meetings). These meetings are conducted with company personnel, contractors, and designated Life Keepers. They follow a structured process of hazard recognition before work, hazard verification during work, and hazard inspection after work. This process identifies potential health and safety risks in advance and incorporates continuous feedback to enhance overall workplace safety performance. The company has particularly strengthened TBMs for partner companies, conducting third-party attended TBMs following work permit issuance. These meetings include supervisors from direct operations, maintenance teams, and contractors to ensure comprehensive oversight and risk management. Additionally, the company operates a Life Keeper Program to further improve safety standards at worksites. Assigned to each process, Life Keepers verify the implementation of the TBM and carry out supervisory measures as necessary. They also maintain work permits and TBM records with third-party signatures to ensure accountability and compliance.

Work Environment Management

YOUNG POONG conducts regular work environment monitoring in accordance with the Occupational Safety and Health Act to safeguard employee health and maintain a safe and healthy workplace. Work environment assessments are performed biannually to systematically identify, measure, and evaluate employee exposure to hazardous factors generated during work processes. The results of these assessments serve as the basis for workplace improvements and occupational disease prevention initiatives. The company collaborates with accredited external institutions to conduct work environment monitoring, and the results are reported to relevant regulatory authorities. These results are used to establish and implement corrective actions, improve workplace conditions, and support ongoing occupational health management. Based on these results, the company continuously monitors employee exposure to workplace hazards and proactively manages potential health risks. In 2025, no work processes exceeded applicable regulatory occupational exposure limits. However, the company has implemented enhanced control measures for processes with exposure levels exceeding 50% of the occupational exposure limits and operations involving noise levels above 85dB. These measures include strengthened workplace management practices and noise reduction programs to minimize potential risks and drive continuous improvement. Additionally, ad hoc work environment monitoring is conducted whenever significant changes occur in the workplace, such as the installation of new equipment, process modifications, or the identification of new hazardous factors. This allows the company to quickly identify emerging risks and implement appropriate mitigation measures to ensure a safe and healthy work environment.

Occupational Health and Safety Management

PERFORMANCE

Accident Prevention

Revision of Safe Work Procedures

YOUNG POONG has been undertaking a comprehensive revision of its Safe Work Procedures since 2025 to strengthen its safety-first workplace culture. The revision is designed to proactively prevent workplace accidents and establish a more systematic safety management framework based on the risk factors of each type of work. Under the revised procedures, the participation requirements and operating standards for toolbox meetings (TBMs) differ according to work priority and risk level. Additionally, designated supervisors are responsible for verifying the necessary safety measures before, during, and after each task, thereby strengthening safety oversight throughout the entire work process. The company also has refined its work risk classification system, categorizing tasks as critical-risk, high-risk, or general-risk activities. Furthermore, the approval criteria for Safe Work Permits have been enhanced to reinforce pre-work risk assessments and management controls for high-risk operations.

Emergency Response Drill

YOUNG POONG operates a structured emergency response system to ensure prompt and effective action in the event of workplace emergencies. To minimize the potential damage to personnel and property during incidents such as fires or hazardous chemical releases, the company has developed process-specific emergency response scenarios and conducts drills at least once every six months at all business sites. In 2025, the company conducted six emergency response drills involving the Logistics Materials Team, the Donghae Logistics Team, the TSL A Team, and the Roasting Team. Additionally, it carries out comprehensive joint emergency response drills at least once a year in cooperation with the local fire department. Through these regular drills, YOUNG POONG continuously strengthens its emergency preparedness and response capabilities, as well as its on-site crisis management system.

Employee and Partner Worker Engagement

YOUNG POONG has a structured employee engagement system that identifies workplace hazards early and translates frontline feedback into meaningful safety improvements. Through a QR code-based feedback platform Youngpoong In-Sori (Employee Feedback & Safety Precautions Program), employees and partner workers can conveniently submit safety suggestions and report potential hazards from key locations across all operations. The submissions are reviewed by the relevant departments, and feasible recommendations are incorporated into corrective actions and workplace improvement initiatives. To encourage proactive participation in workplace safety, the company operates a recognition and reward program for employees and partner workers who contribute outstanding safety ideas. Awards are presented in multiple categories, including Annual Best Suggestion, Monthly Outstanding Suggestion, and Quarterly Most Active Contributor. Exemplary proposals in 2025 included measures to reduce the risk of falling objects and recommendations for facility improvements to prevent electrical accidents. Going forward, YOUNG POONG plans to leverage near-miss reports and employee safety suggestions to reinforce a proactive safety culture and promote participation in health and safety management.

Feedback Handling Process

Submission	Suggestion Entry	Receipt
· Scan QR code to submit a proposal	· Enter proposal details	· Proposal received by the Safety and Health Management Team - Submission Period: 26th of the previous month to 25th of the current month

Action	Announcement	Review
· Forwarding of details to relevant departments for proposed actions · Feedback on action results	· Announcement of selected outstanding proposals · Awards for outstanding proposals	· Review of proposal details by safety-related divisions · Concurrent verification of awards granted by other departments

2025 Feedback Handling Results

Number of Submissions	Number of Resolved Cases	Number of Pending Cases
350	164	132

Occupational Safety and Health Training

YOUNG POONG provides regular occupational safety and health training to employees and partner workers in accordance with the Occupational Safety and Health Act. All relevant personnel, including subcontractor workers, receive process-specific hazard training, and employees engaged in hazardous chemical handling receive additional specialized training. The company also provides training on the work permit issuance process, compliance requirements, and the right to stop work. This training strengthens employees' understanding of these procedures and ensures their effective implementation. The Sukpo Smelter, in particular, operates a "Safety Inspection Day" program to enhance safety awareness and reinforce safety practices among employees and partner workers at operational sites.

Occupational Safety and Health Training Status

Category	Subject	Training Hours	Completion Rate
Regular Safety and Health Training	All employees	12 hours per half-year	100%
Special Safety Training	Eligible employees	16 hours (for new hires or employees assigned to new duties)	100%
Training for Supervisors	Supervisors in all departments	16 hours	100%
Training for Employees Changing Job Duties	Employees transitioning to new roles	2 hours	100%
Training for New Hires	New hires	8 hours	100%



"Safety Inspection Day" Campaign to Strengthen Occupational Health and Safety



Experience-based Safety Training

Occupational Health and Safety Management

PERFORMANCE

Employees Health Management

YOUNG POONG promotes the health and well-being of its employees and partner workers by offering comprehensive health management programs based on its Health Promotion and Health Impairment Prevention Guidelines. These initiatives include operating on-site health centers, conducting special health examinations, offering health promotion programs, and providing health support activities for partner companies. Dedicated nurses staff the on-site health centers, providing first aid, health consultations, follow-up care for employees requiring medical attention, along with routine health services, such as blood pressure, blood glucose, and body composition measurements. The company continuously monitors employees' health conditions to support early intervention and preventive care. In addition to regular medical examinations, the company conducts special health examinations based on workplace exposure monitoring results. According to examination outcomes, follow-up disease management and health counseling are provided to prevent occupational illnesses and minimize work-related health risks. YOUNG POONG also operates cardiovascular disease prevention and healthy lifestyle programs. Furthermore, the company enhances its employee health management system by improving its internal health management performance through Enterprise Health Promotion (EHP) Index-based assessments.

To support employees' right to adequate rest and foster a healthier work environment, the company has established new standards for installing and operating rest facilities. Based on these standards, it continues to strengthen the management of rest areas to provide workers with a safer, more comfortable workplace. Additionally, the company supports the health of partner workers. In 2025, a total of 11 partner companies participated in the company's health consultation and post-health examination management program. This contributed to the prevention of occupational diseases and improved health management practices among workers at small- and medium-sized partner companies.



Smart Rest Area Opening Ceremony

Partner Safety and Health Management

Partner Safety and Health Assessment

YOUNG POONG regularly assesses the health and safety practices of subcontractors permitted to perform hazardous work. These assessments enhance partner companies' safety and health management capabilities and promote safe working environments. The company incorporates contractor qualification criteria into the partner selection process before executing contracts. After a contract is awarded, partner companies undergo ongoing inspections and periodic evaluations to ensure continuous improvement in safety and health performance. In 2025, a total of 44 partner companies were evaluated, including 33 at the Sukpo Smelter, six at the Onsan site, and five at the Donghae site. These evaluations comprehensively assess the effectiveness of partners' safety and health management systems and their implementation capabilities on site. Key assessment criteria include safety and health management performance, risk assessment implementation, and safety and health management system operation.

Partner Safety Management Training

YOUNG POONG provides regular safety and health training for partner companies through the Occupational Safety and Health Council. The training focuses on practical measures to strengthen on-site safety management. These measures include sharing the results of the Safe Workplace Project, distributing "Serious Accident Siren" educational materials on the prevention of serious industrial accidents, and introducing our employee and partner worker feedback system.

Partner Safety and Health Meetings

YOUNG POONG holds monthly safety and health meetings with its partners to minimize safety and health violations and share safety management awareness. Each meeting addresses a specific safety topic and targets companies that need to improve their safety management practices. Key discussion topics in 2025 included the proper use of personal protective equipment (PPE), compliance with work permit issuance and implementation procedures, and adherence to fundamental safety rules. These meetings strengthen partners' self-directed safety management capabilities and enhance overall safety and health performance across operational sites.

Partner Safety and Health Support

Through the Large–Small Enterprise Safety and Health Cooperation Program, YOUNG POONG helps partner companies establish self-managed accident prevention systems by providing technical guidance and support. Support activities include providing safety and health equipment, developing and distributing educational materials, training on risk assessment methodologies, and assisting in establishing self-regulatory safety management systems. Through these initiatives, the company continues to strengthen its partners' capabilities in preventing industrial accidents and improving their overall safety and health management performance.

Human Rights Management

GOVERNANCE

Human Rights Management Framework

YOUNG POONG is progressively establishing its human rights management framework in phases led by the Audit Team. The Audit Team oversees human rights management policy management, risk identification, grievance handling, human rights training, integration with internal control systems, key performance indicator (KPI) management, and reporting. In collaboration with relevant departments, including Human Resources, Procurement, Safety, Legal, and Public Relations, the company works to prevent and address human rights risks across its operations. It strengthens the effectiveness of the human rights management framework by incorporating human rights-related objectives into the Management by Objectives (MBO) system for each department. Key evaluation criteria include compliance with the Internal Accounting Control System and adherence to the human rights management standards. These measures ensure that human rights principles are integrated into business management and performance evaluation systems.

STRATEGY

Human Rights Management Policy

YOUNG POONG operates a comprehensive Human Rights Management framework based on its Human Rights Management Policy and Human Rights Management Policy Guidelines. This framework is designed to respect the fundamental rights of both internal and external stakeholders. Established with reference to internationally recognized standards, including the Universal Declaration of Human Rights (UDHR) and the Ten Principles of the United Nations Global Compact (UNGC), the policy reflects the company's commitment to embedding respect for human rights throughout its business operations. It addresses issues such as non-discrimination, humane treatment, responsible minerals sourcing, occupational safety and health, personal data protection, and freedom of association and collective bargaining. YOUNG POONG seeks to prevent potential human rights violations across its business activities and promote responsible corporate conduct through these commitments.

Human Rights Management Policy ➤ Human Rights Management Policy Guidelines ➤

Human Rights Strategy

YOUNG POONG's vision, "A Sustainable Future Centered on People," recognizes respect for human rights as a core element of its management philosophy. The company has developed a human rights strategy aligned with internationally recognized frameworks, including the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Its long-term human rights roadmap for 2025-2035 is structured around five strategic pillars: governance, organizational culture, supply chain management, grievance mechanisms, and stakeholder engagement. Through this roadmap, the company aims to progressively strengthen its human rights management framework across the organization. During the initial implementation phase, establishing human rights policies and operational standards will be prioritized, along with developing a systematic process for identifying key human rights risks, implementing grievance handling procedures, providing employee training, and integrating human rights considerations into internal control systems. In the medium to long term, the company plans to expand human rights risk management throughout its supply chain, strengthen stakeholder engagement, and continuously improve the management and disclosure of human rights performance. Through these efforts, the company seeks to embed human rights management into its core business practices, going beyond policy commitments to establish a responsible management system aligned with global standards.

Human Rights Mission Statement

A People-Centered Sustainable Future, Realized Through Human Rights Management

Phased Roadmap

Short Term (2025–2026)	Medium Term (2027–2029)	Long Term (2030–2035)
Laying the Foundation and Establishing Systems	Expanding Application and Advancing the Framework	Achieving Leading-Edge Standards and Integrating Human Rights Management

Five Strategic Goals

Establishing Human Rights Management Governance	Internalizing a Culture of Human Rights Respect	Managing Human Rights Risks in the Supply Chain	Operating Grievance Resolution Procedures	Ensuring Stakeholder Engagement and Transparency
▸Strengthening board-led oversight of human rights management ▸Streamlining the company-wide human rights management framework ▸Continuously improving human rights management policies and systems	▸Enhancing human rights awareness and competence among all employees ▸Promoting diversity, equity, and inclusion (DEI) ▸Fostering an organizational culture that respects human rights	▸Mandating and systematizing human rights due diligence in the supply chain ▸Supporting partners in strengthening their human rights management capabilities ▸Deepening responsible mineral procurement and conflict mineral management	▸Strengthening accessible and predictable grievance mechanisms ▸Expanding fair and prompt investigations, victim protection, and support ▸Strengthening systems to prevent recurrence and mitigate risks	▸Establishing and activating multi-level stakeholder communication channels ▸Transparent disclosure of human rights management performance and impact ▸Strengthening participation in and collaboration with external initiatives

Human Rights Management

RISK MANAGEMENT

Human Rights Risk Management System

Based on its human rights management policies and guidelines, YOUNG POONG is establishing a human rights risk management system. This system will identify adverse human rights-related impacts and risks, and implement measures to prevent, mitigate, and address such impacts and risks.

Risk Management Process

Risk Identification

Reporting and Data Collection

- Reporting via Human Rights Violation Hotline (Grievance Channel)
- Judgment of violations of the ten Principles
- Data collection

Analysis & Comprehensive Review

- Identification of human rights risks
- Interviews with relevant parties and responsible personnel
- Comprehensive review of the level of impact, the need for privacy protection, the possibility of recurrence, legal and regulatory requirements, stakeholder reactions, etc.

Risk Response

Investigation & Emergency Response

- Conduct an investigation to minimize adverse impacts
- Implement emergency measures as necessary

Improvement Measures

- Root cause analysis
- Development of improvement measures
- Phased implementation of improvement measures

Effective Verification of Improvement Measures

- Conduct education and training on improvement measures
- Evaluate the effectiveness of improvement measures

TARGETS & METRICS

Human Rights Management Goals and Metrics

YOUNG POONG is progressively establishing a human rights management system based on the revision of its human rights policy, the establishment of human rights impact assessment procedures, and the institutionalization of grievance handling procedures. In 2026, the company plans to focus on establishing a data collection system, raising internal awareness, assessing the current status of policies and systems, piloting a key human rights risk identification process, and providing internal staff training. In the medium to long term, the company plans to progressively implement measures such as enhancing human rights impact assessment procedures, systematizing supply chain due diligence, strengthening grievance resolution channels, managing human rights performance indicators, and expanding public disclosure.

Grievance Resolution Rate (unit: %)



Short-term (2026)	Medium-term (2027)	Long-term (2030)
100	100	100

PERFORMANCE

Human Rights Grievance Channel

YOUNG POONG operates a grievance reporting channel to promptly address human rights violations and grievances that may arise in the course of business operations and to protect the rights and interests of the reporters and victims. Internal and external stakeholders can report relevant issues at any time through the online Grievance Channel, email, and other means. Received reports undergo fact-finding and investigation, leading to necessary corrective actions. Throughout this process, the company protects the anonymity and confidentiality of the reporter and ensures that no adverse consequences result from the report. Received grievances are handled in collaboration with relevant departments, taking into account the severity and impact of the issue, and corrective actions and preventive measures are implemented as necessary.

Human Rights Training

YOUNG POONG conducts company-wide human rights training for all employees to enhance their understanding of human rights issues and strengthen their ability to prevent and respond to violations. This training is organized by the Audit Team and is mandatory for all employees.

Course Name	Duration	Number of Employees Completing Training
Sexual Harassment/Sexual Violence Prevention Training	2 hours	775
Disability Awareness Training	2 hours	775
Workplace Harassment Prevention Training	2 hours	775

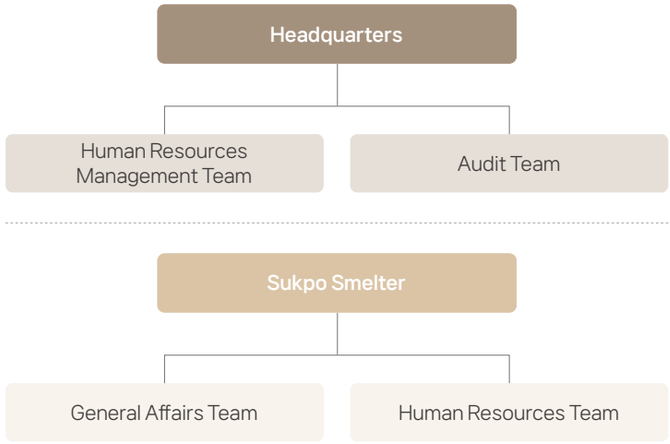
Employees and Organizational Culture

GOVERNANCE

Organizational Culture Management Framework

YOUNG POONG is committed to fostering a culture of diversity and inclusion, characterized by mutual respect and collaboration within a flexible and autonomous work environment. To this end, the Human Resources Management Team, the Audit Team, the Sukpo Smelter General Affairs Team, and the Human Resources Team are collaborating to implement initiatives that strengthen the organizational culture and improve the employee experience.

Organizational Culture Management Governance Structure



STRATEGY

Diversity and Inclusion

YOUNG POONG is committed to providing all employees with equal opportunities for growth and fostering an inclusive organizational culture that embraces diversity. The company ensures equal opportunities throughout the employee life cycle, including recruitment, promotion, and training, and promotes a workplace that respects individual differences, regardless of gender, nationality, race, religion, socioeconomic background, or ability. The company believes that diversity and inclusion encourage employee engagement and collaboration, ultimately driving innovation and enhancing organizational performance. Accordingly, YOUNG POONG continues to implement initiatives that ensure every employee is respected and valued and can grow and develop in a safe, inclusive environment.

TARGETS & METRICS

Diversity Goals and Metrics

YOUNG POONG is committed to building a sustainable organizational culture based on diversity and inclusion. The company fosters a workplace where all employees can realize their full potential without discrimination. Recognizing that female representation remains relatively low due to the nature of the industry, YOUNG POONG continues to implement initiatives that enhance workforce diversity and promote a more balanced composition of talent. The company provides equal employment opportunities to all individuals throughout the recruitment process, regardless of gender, and supports the recruitment and retention of female talent by cultivating a more inclusive workplace culture and improving working conditions. Going forward, the company will strengthen its institutional support and organizational practices to develop female leaders and encourage their long-term career growth. These efforts will foster an environment in which female employees can flourish and contribute.

Key Areas	Initiatives	Quantitative Targets	Short-Term (2026)	Medium-Term (2027)	Long-Term (2030)
Attracting Female Talent	Fostering a Women-Friendly Culture	Percentage of Female Employees	7.44%	7.69%	8.45%

Employees and Organizational Culture

PERFORMANCE

Work–Life Balance

YOUNG POONG promotes healthy work-life balance for all employees by offering flexible work arrangements and initiatives that support employee well-being. These programs are designed to improve operational efficiency and the overall quality of life for employees. At the headquarters, the company operates a flexible start and finish time system, allowing employees to adjust their working hours according to their job responsibilities and individual circumstances. The Sukpo Smelter offers managers a flexible work hours program to improve efficiency and productivity while providing greater scheduling flexibility.

Employee Benefits

YOUNG POONG provides a wide range of employee welfare programs to support a healthy work-life balance and improve quality of life. Company benefits cover various areas, including financial well-being, health management, and other programs designed to promote long-term employee stability and welfare.

Employee Benefits Program

Category	Details	Eligibility
Long Service Recognition	Gifts provided in 5-year increments of service	All employees
Completion of Probation	Gifts for new hires and experienced employees completing the probation period	All employees
Birthday Gifts	Gifts for employees celebrating birthdays	All employees
Company-Operated Resorts	Access and use of company-operated resorts	All employees
Corporate Housing	Company apartments with free occupancy, free hot water and heating (excluding certain buildings)	Sukpo Smelter employees
Comprehensive Health Checkup	Support of comprehensive medical examinations	All employees
Health Consultation	Consultations with an in-house health manager (nurse)	Sukpo Smelter employees
Tuition Assistance	Eligible employees	All employees

In-House Learning Culture Program

In 2026, YOUNG POONG introduced a In-house learning culture program to build a foundation for sustainable organizational growth, create a safer working environment, and promote employee psychological well-being. The program is built around the three core values of organizational stability, personal growth, and risk management. The curriculum includes creative activities to help employees manage job-related stress and prevent burnout, as well as training to cultivate better workplace etiquette and communication skills. In addition, the program provides safety education, including first aid and cardiopulmonary resuscitation (CPR). Through these initiatives, the company aims to enhance its employees' overall competencies and foster a healthy organizational culture. Ultimately, the company seeks to strengthen its employees' sense of belonging and teamwork, promote safety awareness, support psychological well-being, and encourage professional development. These efforts encourage greater organizational commitment and contribute to accident prevention and the organization's long-term sustainability.

Employee Training Program

YOUNG POONG provides a wide range of training programs to enhance employees' professional competencies. The curriculum covers technical and job-specific expertise, leadership development, and general professional skills. Training programs include certification preparation courses, management and leadership classes, book-based learning sessions, and financial literacy courses. The company encourages voluntary participation to provide employees with continuous learning opportunities that support their career development and foster a culture of learning throughout the organization. In 2025, a total of 168 employees participated in various training programs, strengthening their professional capabilities and contributing to knowledge sharing and a culture of self-directed learning.

Toyota Production System (TPS) Training Program

YOUNG POONG operates a Toyota Production System (TPS) training program to strengthen its supervisors' production innovation capabilities, enhance their on-site problem-solving skills, and reinforce their safety awareness. Designed to cultivate practical leaders capable of driving organizational change, the program provides firsthand exposure to production innovation practices at leading global manufacturers. The program is based on the core principles of the Toyota Production System, including just-in-time (JIT) production, automation, and flexible manufacturing. It emphasizes inventory reduction, defect prevention, and production efficiency. In addition to introducing production methodologies, the training program focuses on eliminating operational inefficiencies, optimizing processes, honing capabilities in identifying problems and making continuous improvements, and cultivating an innovative leadership mindset.

In 2025, a total of 234 employees participated in the program, including 104 production employees and 130 managers. Participants strengthened their ability to independently identify and resolve operational inefficiencies and developed a shared understanding of production challenges and standardized approaches to problem solving. As a result, the program contributed to establishing a culture of field-driven continuous improvement, enhancing productivity and process efficiency while strengthening supervisors' leadership and innovation capabilities.

Employees and Organizational Culture

PERFORMANCE

Stress Management Program

YOUNG POONG operates an Employee Mental Wellness Program to promote mental well-being and prevent work-related stress among employees. The program enhances employee engagement and organizational satisfaction by supporting stress relief and emotional well-being. The curriculum features experiential activities, such as mindfulness meditation and mood lamp-making workshops. These activities enable participants to effectively manage stress and maintain emotional well-being in their daily lives. In 2025, a total of 32 employees participated in the program, including 17 in the first half of the year and 15 in the second. The program achieved a high level of participant satisfaction, with an average score of 94 out of 100.





Performance Evaluation System

YOUNG POONG operates a fair and objective performance evaluation system that assesses employees' performance and competencies and provides opportunities for professional growth and development. The individual performance evaluation process is structured, beginning with self-assessment and progressing through multiple stages to the final evaluation. Employees who receive high performance ratings must submit supporting evidence. Competency assessments are also conducted based on job level and position. To enhance the fairness and accountability of the evaluation process, the Personnel Committee maintains disciplinary and commendation records, which are incorporated into performance assessments, as well as attendance records. Additionally, disciplinary records include cases involving diversity and inclusion standard violations reported through the Grievance Channel, as well as breaches of the company's ethics, compliance, and human rights management policies. Through this approach, YOUNG POONG integrates its organizational culture and ethical standards into its performance evaluation framework.

Performance Evaluation Process

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Self-Evaluation	First Evaluation (Team Manager)	Second Evaluation (Officer)	Third Evaluation (Site Manager)	Final Evaluation (CEO)

Labor-Management Communication

In accordance with the Act on the Promotion of Workers' Participation and Cooperation, YOUNG POONG holds a Labor-Management Council meeting quarterly at each worksite. These councils provide a platform for management and employees to discuss important issues that require joint resolution, such as employee welfare, grievance handling, and occupational safety management. Additionally, the company regularly holds communication meetings with employees of different genders, job positions, and functions to gather diverse perspectives. The feedback collected at these meetings informs organizational management and workplace improvement initiatives. These communication channels promote active employee participation and foster a culture of mutual trust and collaboration throughout the organization.

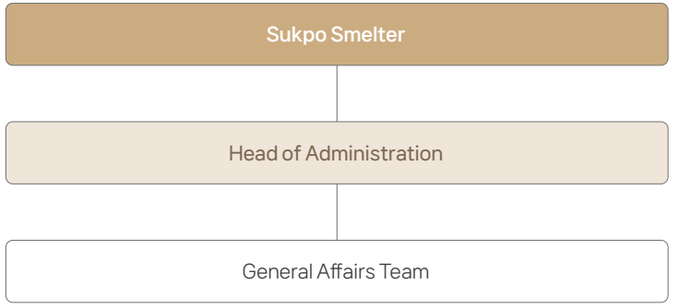
Community

GOVERNANCE

Community Engagement Framework

YOUNG POONG has established a structured community engagement framework to fulfill its roles and responsibilities toward local communities systematically, while continuously strengthening its expertise and execution capabilities in social contribution activities. The General Affairs Team at the Sukpo Smelter oversees the Company's community engagement initiatives. Each department is responsible for implementing the Community Engagement Policy, managing and resolving community grievances, and promoting stakeholder awareness and engagement through education and communication initiatives.

Community Engagement Governance Structure



STRATEGY

Community Engagement Strategy

YOUNG POONG is committed to the core value of "Growing Together with Society." The Company fulfills its corporate social responsibility by pursuing sustainable, shared growth with local communities through mid- to long-term community engagement initiatives. Supporting underserved regions and vulnerable groups is a key strategic priority. The Company systematically implements community engagement activities that create social value while contributing to regional development. In 2025, the Company established its Community Engagement Policy to strengthen communication with a broad range of stakeholders, including local residents, partner companies, and local governments. Based on this policy, the Company identifies and addresses community needs while promoting sustainable regional development. Additionally, the Company has identified the promotion of the public interest and support for academic, educational, cultural, and artistic initiatives as key pillars of our community engagement strategy. Through these initiatives, the Company continues to fulfill its corporate social responsibility and contribute to sustainable community development.

Community Engagement Policy

TARGETS & METRICS

Community Engagement Targets and Metrics

Guided by its founding philosophy of contributing to the nation and society through corporate growth while achieving shared prosperity, YOUNG POONG establishes the Company's annual community engagement targets. The Company has identified three strategic priority areas of local communities, future generations, and elderly and socially vulnerable groups. and implement tailored social contribution programs that reflect the needs of each group. Following the implementation of each program, YOUNG POONG evaluates its effectiveness through satisfaction surveys and stakeholder feedback, and incorporates into future planning. Through this continuous improvement process, the Company seeks to further its community contribution activities based on the evolving needs of local communities.

Focus Area	Initiative	Item	Short-term (2026)	Mid-term (2027)	Long-term (2030)
Local Communities	Improve the quality of life for local residents and revitalizing local festivals	Support programs for local resident festivals	7 or more per year	10 or more per year	12 or more per year
Future Generations	Ensure educational opportunities for local children and youth and foster future talent	Support programs for local elementary and middle school students	6 or more per year	7 or more per year	8 or more per year
Elderly and Marginalized Group	Reduce welfare gaps in the community and promote an inclusive community	Local volunteer programs	7 or more per year	8 or more per year	10 or more per year

Community

PERFORMANCE

Community Contributions

"Bring Your Address to Bonghwa" Campaign

YOUNG POONG's Sukpo Smelter participates in the "Relocate Address to Bonghwa" Initiative Campaign, an initiative designed to help address population decline in Bonghwa-gun, Gyeongsangbuk-do. The campaign encourages residents who already reside in Bonghwa but have not officially registered their addresses there to update their resident registration, thereby supporting population growth and revitalizing the local economy. To encourage participation, YOUNG POONG provides financial incentives to employees who transfer their registered addresses to Bonghwa. As of 2025, a cumulative total of 47 employees had officially relocated their resident registration to Bonghwa, contributing to local efforts to address regional population decline.

Establishment of Seokpo Community Sports Center and Soccer Field

In June 2025, YOUNG POONG's Sukpo Smelter partnered with the local governments of Gyeongsangbuk-do and Bonghwa-gun to open the Seokpo Community Sports Center, providing local residents with improved opportunities for recreation and healthy living. The center offers facilities for various indoor sports, such as basketball, volleyball, and badminton. These facilities provide recreational opportunities for residents year-round, especially during Seokpo's long winter season. YOUNG POONG also invested approximately KRW 2 billion in its own funds to build a 13,000 m^2 regulation-size artificial turf soccer field and two parking facilities. This project is a successful example of public-private collaboration, illustrating how cooperation between private companies and local governments can improve residents' quality of life while expanding public sports infrastructure. The project has been recognized as a leading example of sustainable regional partnership and shared value creation.



Seokpo Community Sports Center



Artificial turf soccer field

2025 Community Engagement Activities

- Supported local cultural events, including the Seokpo-myeon Community Walking Festival, open-air concerts, and outdoor movie screenings.
- Supported events and educational visits organized by local community organizations, including the Seokpo Youth Association, Seokpo-myeon Sports Association, Bonghwa-gun Heads of Villages Association, Bukpyeong-dong Residents' Representatives Association, and the Donghae City Prosperity Association.
- Sponsored activities organized by local public safety organizations, including the volunteer neighborhood patrol and volunteer fire brigade.
- Supported the operation of the Seokpo-myeon Happiness Sharing Center.

Education and Scholarship Support for Future Generations

Sponsorship of the Sukpo Short Film Workshop

To foster creativity and support career exploration among local youth, YOUNG POONG's Sukpo Smelter sponsors the Sukpo Short Film Workshop, a cultural and arts education program. In 2025, a total of 10 students participated in the second session of the program. During the three-day residential workshop, participants received intensive training covering every stage of filmmaking process, including film production theory, synopsis development, screenplay writing, filming, and editing. Working collaboratively in various production roles—including producer, director, assistant director, cinematographer, lighting technician, sound engineer, and actor—the students produced a short film titled 'That Night, In That House'. Participants from the inaugural workshop also joined as mentors, sharing their experience and practical knowledge to support the development of younger participants.



Winter Clothing Support for Students in Remote Mountain Communities

Considering the harsh winter climate and challenging commuting conditions in mountainous areas, YOUNG POONG's Sukpo Smelter provides practical support to local students. In December 2025, the Company donated padded winter jackets valued at approximately 21 million KRW to all 52 students at Seokpo Middle School. This initiative was designed to improve students' commuting conditions and daily well-being during the winter months.



Support for After-School Programs and Educational Environments

YOUNG POONG's Sukpo Smelter provides educational resources and funding to help local children pursue their aspirations in a stable learning environment. To help bridge the educational gaps experienced by children from single-parent and multicultural families, we donated 5 million KRW to the Seokpo Community Children's Happiness Center for educational equipment. Through this initiative, we contribute to improving access to high-quality educational services in a more comfortable learning environment for children from underserved backgrounds.

2025 Community Engagement Activities

- Provided scholarships to graduating students of Seokpo Elementary School and Seokpo Middle School.
- Donated recommended books each quarter to Seokpo Elementary School and Seokpo Middle School.
- Provided college entrance examination gift packages for employees' children.
- Supported the rental of elementary school uniforms for employees' children.
- Provided educational equipment for after-school programs serving children from single-parent and multicultural families.

Community

PERFORMANCE

Welfare Support for the Older Adults and Vulnerable Groups

Donation for Neighbors

YOUNG POONG's Sukpo Smelter continues to provide meaningful financial assistance to improve the welfare and living conditions of disadvantaged members of the local community. In December 2025, the Company donated KRW 150 million to support people with disabilities and other vulnerable groups in Bonghwa-gun. Additionally, to help offset heating costs during the winter, we provided a total of KRW 24 million to eight senior community centers in Seokpo-myeon.



Fire Prevention Support

In November 2025, YOUNG POONG's Sukpo Smelter donated KRW 20 million to the Bonghwa Fire Station to support winter fire safety for vulnerable households in Bonghwa-gun. The donation was administered by the Memorial Association for Fallen Firefighters and used to purchase fire prevention equipment and residential fire safety supplies for households in need throughout the community.



"Sharing Briquettes with Love" Campaign

In December 2025, YOUNG POONG Sukpo Smelter carried out its annual "Sharing Briquettes with Love" Campaign to support vulnerable households during the winter season. The Company donated a total of 16,50[illegible] briquettes to 33 households in Seokpo-myeon, giving each household 500 briquettes. Over [illegible] employees volunteered participated in the volunteer activity by personally delivering the briquettes, showcasing our dedication to community solidarity and volunteerism. Compared with the previous year, when 14 households received support, the Company more than doubled the scale of the campaign, enabling it to support a greater number of vulnerable residents and contribute to fostering a culture of sharing within the local community.



2025 Community Engagement Activities

- Provided holiday gifts for employees' elderly parents during Lunar New Year and Chuseok, organized Parents' Day celebrations, sponsored educational visits, and supported senior community centers during the summer heat season.
- Donated supplies for a community event for people with disabilities in Bonghwa-gun.
- Supported housing improvement projects for low-income households.
- Supported improvements to educational facilities for people with disabilities.
- Provided heating assistance and winter supplies for vulnerable households.

YOUNG POONG Cultural Foundation

The YOUNG POONG Cultural Foundation was established in 1980 to give back to society through corporate philanthropy and contribute to the development of future leaders. The Foundation has carried out a broad range of social contribution initiatives in the areas of education, welfare, and culture. In 2025, it contributed to nurturing future talent by providing scholarships to Korean university students and supported public interest research and educational activities by funding academic research grants and educational programs at the International Ecology School. In addition, the Foundation enhanced educational opportunities and living conditions for children and youth through book donations, educational equipment for community children's centers, and winter clothing for elementary school students. Community-based welfare initiatives were also implemented, including home renovation support, assistance for facilities serving people with disabilities, and fuel cost assistance for senior programs.

"Hope Book Tree" Book Donation Campaign

To promote reading and support underserved communities, the YOUNG POONG Cultural Foundation partnered with YOUNG POONG Books and Giving Plus to organize the "Hope Book Tree" Book Donation Campaign. Through this campaign, the foundation donated an additional 1,000 books to supplement those contributed by customers, resulting in a total collection of around 5,500 books. These books were then distributed to child welfare institutions across Korea, improving access to quality reading content and fostering the emotional and educational development of children in underserved communities.



SPECIAL SECTION

Seokpo Village Contest

To strengthen communication with and promote engagement in the local community, the Young Poong Sukpo Smelter has hosted the Seokpo Village Contest for Bonghwa-gun residents for the past four years. The 2025 contest received 153 submissions in various categories, including a five-line acrostic poem competition and a short video competition. This demonstrates the community's strong interest and participation. The award-winning entries captured everyday life in Seokpo, reflecting participants' affection for their families and local community. This helped foster a stronger sense of community identity and belonging. YOUNG POONG will continue expanding accessible cultural and community engagement programs that encourage active resident participation while strengthening mutual trust and sustainable partnerships with local communities.



2025 Seokpo Village Contest

GOVERNANCE

할머니와 석포

봉숭아 꽃물을 들이면 내 가슴에도 꽃물이 들 것 같다
화전처럼 달콤한 미소를 지닌 우리 할머니는
군말 없이 나의 팔찌를 고쳐주신다
석포면에 사시는 우리 할머니는
포근하고 따뜻한 품을 가지고 계신다
면사포를 쓰고 할아버지께 시집 온 우리 할머니는
석포가 좋다고 하셨다. 나도 석포가 좋다.

| 봉화 석포마을 공모전 6행시 부문 동상 |



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Board of Directors

GOVERNANCE

Board of Directors

The Board of Directors is the Company's highest decision-making body responsible for deliberating on and approving the Company's fundamental management policies and significant matters relating to the execution of its business and supervises management. As such, it plays a key role in ensuring the sound operation of the Company's corporate governance. The Board consists of six members: two Inside Directors and four Independent Directors, with Independent Directors comprising a majority of the Board to ensure the Board's independence. In addition, YOUNG POONG appointed a female Independent Director in 2022 as part of its efforts to enhance Board diversity. The Company strives to ensure balanced decision-making by maintaining a Board composed of individuals with diverse backgrounds and expertise. The Company also operates the Independent Director Nominating Committee and the Audit Committee under the Board of Directors to further enhance the Board's transparency and independence.

Corporate Governance Report

Status of Board Composition

(As of June 2026)

Classification	Inside Directors		Independent Directors			
Name	Ki Ho Kim	Hong Woon Kwon	Jung Ok Park	Chang Won Choi	Young Joon Jeon	Sung Kwan Hur
Gender	Male	Male	Female	Male	Male	Male
Initial Appointment Date	March 27, 2025	March 27, 2025	March 23, 2022	March 29, 2024	March 27, 2025	March 25, 2026
Term Expiration	March 27, 2027	March 25, 2028	March 25, 2027	March 25, 2027	March 25, 2027	March 25, 2027
Date	· CEO · Chair of the Independent Director Nominating Committee · Chair of the ESG Committee	· CFO	· Member of the Audit Committee	· Member of the Independent Director Nominating Committee	· Member of the Audit Committee	· Chair of the Audit Committee · Member of the Independent Director Nominating Committee
Position	Full-time	Full-time	Non-full-time	Non-full-time	Non-full-time	Non-full-time
Full-time Status	· CEO, SM Steel Co., Ltd. · President, YOUNG POONG Co., Ltd. (2024-Present) · CEO, YOUNG POONG Co., Ltd. (2025-Present)	· Assistant Sr. Mgr, Hanwha Co., Ltd. · Assistant Sr. Mgr, Hanwha Systems · Sr. Mgr, Hanwha Aerospace · Sr. Mgr & CFO, Young Poong Co., Ltd. (2022-present)	· Broadcast Producer, Korean Broadcasting System (KBS) · President, KBS Symphony Orchestra · Director, Seolwon Welfare Foundation (2017–Present) · Independent Director, YOUNG POONG Co., Ltd. (2022-Present)	· Director, National Human Resources Development Institute · Visiting Professor, Department of Public Administration, University of Seoul · Vice President, Consulting Association for International Development (2023-Present) · Independent Director, Korea Circuit Co., Ltd. (2024-Present) · Vice President, Center for Future Growth Studies, Korea University (2025–Present) · Independent Director, YOUNG POONG Co., Ltd. (2024-Present)	· Attorney-at-law, Hannuri Law LLC · Member, Legal Interpretation Committee, Financial Services Commission (Present) · Independent Director, Daehan Flour Co., Ltd. (2020–Present) · Partner Attorney, Kim, Chang & Lee Law Firm (2021–Present) · Expert Member, Compliance and Trust Committee, Kakao Corp. (2023–Present) · Independent Director, YOUNG POONG Co., Ltd. (2025-Present)	· Assistant Professor, State University of New York · Professor, School of Business Administration, Dong-A University · Minister of Ministry of Oceans and Fisheries · Minister of Ministry of Government Administration and Home Affairs · President, Korea Institute of Local Finance · President, Gyeonggi Research Institute · Chairperson, Lotte Scholarship Foundation · President, Korea Eurasia Institute (2023–Present)
Career Highlights Expertise	Management	Finance, Accounting	Social Contribution	Administration, Environment	Law, Finance	Management, Accounting, Finance

Board of Directors

STRATEGY

Responsible Management Strategy

YOUNG POONG strives to operate a transparent and sound corporate governance structure to enhance shareholder value and protect the rights and interests of stakeholders. To this end, the Company has established a Board of Directors with independence, expertise, and diversity which deliberates on and resolves major management matters. The Company also operates internal Board committees to strengthen its oversight function and enhance the effectiveness of its decision-making process. In addition, the Company has established a corporate governance framework to ensure appropriate checks and balances among the Board of Directors, management, and Independent Directors. The Company also continues to enhance shareholders' right to information by transparently disclosing the status of its corporate governance through the Corporate Governance Report.

Board Independence

To ensure the independence of the Board of Directors, YOUNG POONG maintains a Board comprising four Independent Directors out of a total of six directors, thereby ensuring that Independent Directors constitute a majority of the Board. The Company also operates the Independent Director Nominating Committee, which carefully reviews candidates for Independent Director positions, including whether they satisfy the qualification requirements under applicable laws and regulations, as well as their competencies, leadership, and professional experience, before they are appointed through a resolution of the General Meeting of Shareholders. In addition, to strengthen the independence and transparency of its audit function, the Company operates an Audit Committee comprising three Independent Directors, including the Chairperson. Furthermore, reflecting the intent of the amended Commercial Act, the Company has proactively increased the number of separately elected Audit Committee members to two.

Board Expertise

YOUNG POONG maintains a Board of Directors with diverse areas of expertise to ensure that the Company's key management matters are reviewed from multiple perspectives, and that balanced decision-making is achieved. The Board currently comprises directors with expertise in key areas required for the Company's management, including management and leadership, finance and accounting, ESG and sustainability, industry and technology, and law and policy. This broad range of expertise enables the Board to comprehensively review changes in the business environment and the characteristics of key agenda items, while supporting the Company's sustainable growth and enhancement of corporate value. In addition, the Company also uses a Board Skills Matrix to assess the composition of the Board's expertise and manages the Board's competency mix to ensure it remains aligned with the Company's mid- to long-term strategic direction and changes in the business environment. Furthermore, YOUNG POONG provides quarterly training programs to enhance the professional expertise of its Independent Directors. These programs focus on topics necessary for the performance of their duties, including developments in corporate laws and regulations, changes to the External Audit Act and the internal accounting control system, and communication with the Board of Directors. In addition, the Head of the Compliance Management Team regularly shares the Company's management status and other relevant information on a quarterly basis and provides materials required for the review of agenda items in a timely manner, thereby supporting Independent Directors in conducting thorough reviews and exercising independent judgment.

Board Skills Matrix

Classification		Industry Expertise	Corporate Value Enhancement	Finance & Accounting	Legal	Risk Management	ESG	Diversity
Inside Directors	Ki Ho Kim	●	●	●		●	●	
	Hong Woon Kwon		●	●		●	●	
Independent Directors	Jung Ok Park		●			●	●	●
	Chang Won Choi			●	●	●	●	
	Young Joon Jeon		●	●	●		●	
	Sung Kwan Hur		●	●		●	●	

Board Diversity

YOUNG POONG does not discriminate on the basis of gender, race, nationality, or other factors when composing its Board of Directors. The Company identifies Board candidates through various nomination channels and reviews whether such diversity is appropriately reflected in the composition of the Board. In particular, the Company appointed a female Independent Director at the 71st Annual General Meeting of Shareholders held on March 23, 2022, and reappointed her at the 75th Annual General Meeting of Shareholders held on March 25, 2026, in recognition of her contributions, including strengthening the Company's social contribution activities, thereby upholding the Board's diversity principles. The current Board is composed of 83% male and 17% female directors. The Company will continue to strengthen Board diversity to ensure that a broad range of perspectives are reflected in the Company's management.

Board of Directors

PERFORMANCE

Board Operations

YOUNG POONG operates its Board of Directors in accordance with the Articles of Incorporation and the Board of Directors Regulations. The Board is convened whenever necessary, and regular Board meetings are held once every quarter to receive reports on the Company's management performance and to review and deliberate on the business performance and planned implementation of major agenda items. The Chairperson elected by the Board is responsible for convening Board meetings. In accordance with the Articles of Incorporation, notice of a Board meeting is provided to each director at least three days prior to the meeting date. However, where all directors consent, a Board meeting may be held at any time without following the notice procedures. A quorum for a Board meeting requires the attendance of a majority of the directors, and resolutions are adopted by the affirmative vote of a majority of the directors present. To enhance the transparency of Board operations, the Company discloses the Board's major activities each year in its Business Report. In 2025, the Board held a total of 15 meetings, and the attendance rate of Independent Directors was 100%.

Board Evaluation and Compensation

In consideration of the fairness and objectivity of evaluation of Independent Directors, YOUNG POONG does not maintain a separate formal evaluation system. Instead, Independent Directors are appointed for a one-year term, and their reappointment is reviewed annually. When reviewing the reappointment of Independent Directors, the Independent Director Nominating Committee comprehensively considers factors including attendance at Board and committee meetings, participation in Board's decision-making process, and diligence in the performance of their duties. Through this process, the Company enhances the accountability of Independent Directors and the effectiveness of Board operations. The aggregate limit on directors' remuneration is determined upon approval at the Annual General Meeting of Shareholders, while the remuneration of individual directors is determined by resolution of the Board of Directors. Remuneration for Independent Directors is provided as a fixed payment based on market practices, and no variable compensation, such as stock options, is granted.

Board Committees

YOUNG POONG operates the Audit Committee and the Independent Director Nominating Committee as committees under the Board of Directors. Each committee is established and operated in accordance with applicable laws and regulations, the Articles of Incorporation, and internal regulations, thereby supporting the transparent and independent operation of the Board. The Company also discloses information on the operation of each committee, including its composition, attendance rate, key agenda items, and resolutions, in its Business Report.

Audit Committee

YOUNG POONG operates the Audit Committee to ensure the independence of the audit process and strengthen operational transparency. The Audit Committee comprises three Independent Directors, including the Chairperson, and its operating procedures, authority, and responsibilities are clearly defined in the Audit Committee Regulations. The Audit Committee performs key audit functions, including overseeing the duties of directors and management and approving the appointment of the external auditor. Where necessary, the Audit Committee may request materials and reports required for the performance of its duties in accordance with the Audit Committee Regulations. In addition, YOUNG POONG has designated the Compliance Management Team as the dedicated support organization for the Audit Committee. On a quarterly basis, the team provides Audit Committee training, operational support, audit support, and support for the evaluation of the internal control system, thereby facilitating the effective operation of the Audit Committee.

Audit Committee Composition

(As of June 2026)

Name	Sung Kwan Hur	Jung Ok Park	Young Joon Jeon
Role Type	Independent Director	Independent Director	Independent Director
Position	Chairman	Member	Member

2025 Audit Committee Operational Overview

Classification	Date	Agenda	Voting	Attendance Rate (%)	Approval Rate (%)
1st	March 17, 2025	· Review of Separate and Consolidated Internal Accounting Control System Assessments · Finalization of the 74th Fiscal Year Audit Report	Approved	100	100
2nd	April 10, 2025	· Appointment of Audit Committee Chairperson · Approval of 2024 Audit Results and 2025 Audit Plan · Evaluation of Internal Control System · Post-Evaluation of External Auditor	Approved	100	100
3rd	October 10, 2025	· Report on Amendment to Whistleblower Protection System · Appointment of External Auditor · Establishment of Anti-Corruption Policy	Approved	100	100

Board of Directors

PERFORMANCE

Independent Director Nominating Committee

YOUNG POONG has established and operates the Independent Director Nominating Committee in accordance with applicable laws and regulations and the Board of Directors Regulations to recommend candidates for appointments as Independent Director. The Independent Director Nominating Committee consists of two Independent Directors and the Chairperson (an Inside Director). In accordance with applicable laws and regulations, a majority of its members are Independent Directors, thereby ensuring the Committee's independence. In addition, to enhance the fairness and transparency of the Independent Director nomination process, the Committee carefully reviews the qualifications and competencies of candidates before recommending suitable nominees.

Independent Director Nominating Committee Composition

(As of June 2026)

Name	Ki Ho Kim	Sung Kwan Hur	Chang Won Choi
Role Type	Inside Director	Independent Director	Independent Director
Position	Chairperson	Member	Member

2025 Independent Director Nominating Committee Operational Overview

Meeting	Date	Agenda Items	Voting	Attendance Rate (%)	Approval Rate (%)
1st	March 7, 2025	Nomination of Independent Director Candidates	Approved	100	100
2nd	April 10, 2025	Appointment of the Chairperson of the Independent Director Nominating Committee	Approved	100	100

Training for Independent Directors

YOUNG POONG provides regular training programs to enhance the professional expertise of its Independent Directors. The Compliance Management Team provides Independent Directors with quarterly updates on the Company's management status and relevant information necessary for the performance of their duties. In addition, the Company provides training on topics necessary for the performance of their duties, including developments in corporate laws and regulations, the External Audit Act, the internal accounting control system, and communication with the Board of Directors.

2025 Status for Training Programs for Independent Director

Date	Organized by	Attending Independent Director	Description
2025.01.09	Compliance Management Team	Byung Wook Park, Jung Ok Park, Chang Won Choi	Roles of the Audit Committee at the Final Stage of the External Audit
2025.04.10	Compliance Management Team	Byung Wook Park, Jung Ok Park, Chang Won Choi, Young Joon Jeon	Grievance Channel and Internal Accounting Control System
2025.07.10	Compliance Management Team	Byung Wook Park, Jung Ok Park, Chang Won Choi, Young Joon Jeon	Roles and Responsibilities of the Audit Committee in Relation to the Consolidated Internal Accounting Control System
2025.11.05	Compliance Management Team	Byung Wook Park, Jung Ok Park, Chang Won Choi, Young Joon Jeon	Communication with the Board of Directors

Ethics and Compliance Management

GOVERNANCE

Ethics and Compliance Management Framework

YOUNG POONG operates its compliance management framework through the Audit Committee under the Board of Directors and the Compliance Management Team. The Compliance Management Team is responsible for providing training and operational support to the Audit Committee, conducting and supporting audit activities, and evaluating and supporting the internal control system. Through these activities, the Company supports the systematic management of legal risks, including audits and internal controls. In addition, to strengthen compliance management, the Company operates the Compliance Officer system and has established the Compliance Control Standards to manage and oversee the Company's compliance framework. A managerial-level employee of the Legal Team has been appointed as the Compliance Officer to provide compliance support to the Board of Directors and employees. The Compliance Officer regularly evaluates compliance with the Compliance Control Standards and their effectiveness of those standards and reports the outcome to the Board of Directors. The Compliance Officer also reviews compliance risks across the Company's overall management activities and supports the improvement of relevant policies and standards, thereby enhancing the effectiveness of the compliance control framework. The Company also includes compliance and internal accounting elements in its Management by Objectives (MBO) evaluation for each team to strengthen the implementation of its ethics and compliance management practices.

Ethics and Compliance Governance Structure

Board of Directors

Audit Committee

Compliance Management Team

STRATEGY

Ethics and Compliance Management Strategy

YOUNG POONG has established and implemented the Ethics Charter, the Code of Ethics, and the Code of Ethics Implementation Guidelines across the Company to enable all employees to make responsible decisions based on ethical values. The Ethics Charter is built on five core principles and serves as the standard of conduct for ethical and compliance management. The Code of Ethics Implementation Guidelines apply, in principle, not only to all employees, including contract employees, but also to external personnel, such as dispatched workers. In addition, to foster a fair and transparent corporate culture, YOUNG POONG established the 2025 Anti-Corruption Policy, which complies with domestic and international anti-bribery and anti-corruption laws and internationally recognized standards. The Anti-corruption Policy consists of six categories covering anti-corruption principles and standards and includes detailed guidance for various situations that may arise in the workplace. The Policy applies to employees, affiliates, and persons acting on behalf of the Company, and also requires partner companies to comply with the same ethical standards. Furthermore, YOUNG POONG continues to strengthen the effectiveness of its ethics and compliance management framework by promoting company-wide implementation through the operation of the Code of Conduct and internal training.

Code of Ethics ▶ Code of Ethics Implementation Guidelines ▶ Anti-corruption Policy ▶

YOUNG POONG Ethics Charter

01	02	03	04	05
First, we comply with applicable laws and regulations and strive to be an ethical company that practices rational and transparent management.	Second, we place our customers at the center of our thinking and do our utmost to create value for our customers.	Third, we perform our duties honestly and fairly and endeavor to foster a sound corporate culture.	Fourth, we provide employees with equal and fair opportunities for self-fulfillment and a safe working environment.	Fifth, as a member of the local community, we fulfill our social responsibilities and obligations and contribute to the development of the nation and society.

Ethics and Compliance Management

RISK MANAGEMENT

Corruption Risk Assessment

YOUNG POONG systematically identifies, analyzes, and assesses corruption risks inherent in its overall business activities and establishes effective measures for their prevention and control. The assessment is led by the Audit Department and is conducted annually. Based on the results of the risk matrix assessment, YOUNG POONG identifies corruption types and specific acts classified as High risk as high-risk areas. The assessment identified bribery (giving or receiving), rebates, embezzlement and fraud, conflicts of interest, unfair competition, and information leakage as high risk on an ongoing basis. Accordingly, the Company implements focused management activities, including strengthening internal controls, shortening audit cycles, providing enhanced training, and reinforcing third-party due diligence.

Corruption Risk Matrix by Corruption Type

Low Medium High

Corruption Type	Examples	Risk Level	Key Mitigation Measures
Bribery	Offering money or other benefits to public officials to obtain improper favors during environmental or safety permitting processes	High	Establishing strict government relations guidelines, strengthening third-party due diligence, and promoting the use of the Grievance Channel
Rebates	Accepting rebates from suppliers during the procurement of raw materials	High	Establishing transparent procurement processes, strengthening supplier selection criteria, and conducting periodic supplier audits
Embezzlement and Fraud	Manipulating accounting records to overstate revenue or conceal expenses (accounting fraud)	High	Strengthening the Internal Accounting Control System and reinforcing the roles of independent internal audits and the Audit Committee
Conflicts of interest	Entering into transactions with companies owned by employees or their related parties under improper terms	High	Requiring the disclosure of conflicts of interest, excluding conflicted personnel from relevant duties, and strengthening the review of related-party transactions
Unfair competition	Manipulating market prices through price-fixing of specific products	High	Requiring fair trade training, establishing a market monitoring system, and utilizing legal counsel
Information leakage	Leaking the Company's key production technologies or customer lists to competitors or external parties	High	Strengthening information security systems, requiring confidentiality agreements, and strengthening offboarding management and information security training
Recruitment Misconduct	Exerting pressure to hire unqualified candidates by abusing one's position	Medium	Establishing transparent recruitment processes, strengthening the independence of the Human Resources Committee, and promoting the use of the internal reporting system
Misuse of Company Assets	Repeatedly using company assets for personal purposes (e.g., corporate credit cards, vehicles, or equipment)	Medium	Strengthening corporate credit card usage guidelines, maintaining records of asset usage, and monitoring by the Audit Department

TARGETS & METRICS

Ethics and Compliance Management Targets and Metrics

YOUNG POONG regards ethics and compliance management as one of the core values of its business management. To strengthen employees' ethical awareness and compliance risk management capabilities, the Company has established and continuously pursues the goals of achieving 100% participation in the Pledge of Ethical Management by all employees and 100% attendance of eligible employees at ethics and compliance training.

Participation in the Pledge of Ethical Management

Participation Rate(%)



2023	2024	2025
100	100	100

Ethics and Compliance Management

PERFORMANCE

Grievance Channel

YOUNG POONG operates the Grievance Channel as part of its internal whistleblowing framework known as the "Shinmungo" to effectively manage ethics and compliance risks. The Grievance Channel serves as an internal control mechanism through which employees, business partners, and other stakeholders may report corruption, conflicts of interest, violations of the Code of Ethics, and other misconduct, thereby contributing to the establishment of a fair and transparent corporate culture. Based on the Whistleblower Protection Regulation, the Company places the highest priority on protecting whistleblowers by implementing comprehensive protection measures, including safeguarding their identity, prohibiting any disadvantage or retaliation, and taking immediate action against retaliatory conduct. The Company also operates an incentive program that rewards whistleblowers who contribute to the prevention and eradication of corruption, thereby encouraging active reporting. Reports may be submitted through various channels, including the Grievance Channel on the Company's website, e-mail, mail, or in person. All reports are received and reviewed by the Audit Team, and investigations are handled by the Audit Department. The reporting process consists of four stages: receipt of the report, review and investigation, response and corrective action, and notification of the outcome. Appropriate follow-up measures are implemented based on the results of the investigation. Through this process, YOUNG POONG proactively identifies ethics and compliance risks, prevents illegal and improper conduct, and continues to strengthen the foundation for sustainable compliance management.

YOUNG POONG Grievance Channel ▶

Process

Receipt of the report ▶ **Review and investigation**

- Company website (Grievance Channel), email, telephone, mail, etc.
- Investigation by the Audit Department
- Investigation completed within 40 days from the date of report submission

▼

Monitoring and policy ◀ **Response and corrective action**

- Feedback provided to relevant departments regarding identified issues
- Review of formal disciplinary action
- Summary settlement/agreement

Ethics and Compliance Training

YOUNG POONG continuously operates systematic training and awareness programs to ensure that all employees clearly understand the Anti-corruption Policy and applicable laws and regulations and comply with them in their daily work. The Company provides regular training for all employees at least once a year, focusing on the key elements of the Anti-corruption Policy, including fair performance of duties, the prohibition of offering or accepting money, entertainment, or other benefits, the prevention of conflicts of interest, the operation of the Grievance Channel, and the Whistleblower Protection Regulation. In particular, the Company incorporates comprehensive training on the Anti-corruption Policy into its mandatory onboarding program for both new and experienced employees to foster ethical awareness from the outset of employment. The Audit Department systematically records and manages the training completion status of all employees and regularly monitors completion rates for ethics training, including mandatory training and internal training programs, to strengthen employees' ethics and compliance risk management capabilities. In 2025, the Compliance Management Team provided human rights, ethics, and anti-corruption training for all employees. In addition, ethics management and human rights management policies, mid- to long-term human rights management goals, and the Anti-corruption Policy were provided to affiliate companies through dedicated training programs.

Pledge of Ethical Management

YOUNG POONG requires all employees to sign the Employee Pledge of Ethical Management upon joining the Company to encourage every member of the organization to embrace ethical values and contribute to fostering a culture of integrity. The Employee Pledge of Ethical Management includes commitments to faithfully comply with internal regulations and applicable laws and regulations; to refrain from all forms of corruption, including requesting or accepting money, entertainment, or other benefits, engaging in unfair transactions, misusing company assets, and conflicts of interest; and to actively report unethical or illegal conduct and cooperate with related investigations. By signing the pledge, employees commit to making these principles the highest standard for their decisions and actions in the workplace. Through these efforts, the Company continues to enhance organizational transparency and build trust with all stakeholders.

SECTION 04.

ESG FACTBOOK

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봉 긋 솟은 산봉우리 위
화 안한 빛 비춰주는
군 말없이, 어둠에게 자리를 내어주는 달아
석 연히, 그럼에도 여전히 빛나는 달아
포 악한 어둠이 두렵지도 않은지
면 면히, 다시 차오르는 달아

| 봉화 석포마을 공모전 6행시 부문 금상 |

ESG Data

Environmental Data

Environmental Goals

Metrics		Unit	2023	2024	2025
Environmental Goals[1]	Greenhouse Gas Emissions (Scope 1, 2)	tCO_2eq	1,201,332	1,188,327	1,176,444
	Reduction Compared to Goal	tCO_2eq	91,570	420,090	559,134
	Energy Consumption	TJ	21,171	18,786	18,598
	Water Consumption	tonne	-	4,513,075	4,377,683
	Waste Emissions	tonne	-	328,232	324,950

1) Estimated BAU Emissions

Greenhouse Gas

Metrics		Unit	2023	2024	2025
Emissions	Total (Scope 1+2)[1]	tCO_2eq	1,109,765	768,497	617,310
	Intensity (Scope 1+2)[2]	tCO_2eq/KRW	72	73	52
	Scope 1 (Direct Emissions)	tCO_2eq	349,611	212,587	177,994
	Scope 2 (Indirect Emissions, Location-based)	tCO_2eq	760,154	555,910	439,316
	Scope 3 (Other Indirect Emissions)[3]	tCO_2eq	-	700,227	938,556
	Cat1. Purchased goods and services	tCO_2eq	-	128,978	192,156
	Cat2. Capital Goods	tCO_2eq	-	-	7,393
	Cat3. Fuel- and Energy-Related Activities	tCO_2eq	-	68,833	88,246
	Cat4. Upstream Transportation and Distribution	tCO_2eq	-	20,968	62,319
	Cat5. Waste Generated in Operations	tCO_2eq	-	5,112	4,977
	Cat6. Business Travel	tCO_2eq	-	96	85
	Cat9. Downstream Transportation and Distribution	tCO_2eq	-	51,848	4,662
	Cat10. Processing of Sold Products	tCO_2eq	-	424,392	578,718

1) The values were calculated based on the Statement specified in Article 27, Paragraph 3 of the "Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis" and Article 21, Paragraph 5 of its Enforcement Decree, as well as Article 24, Paragraph 1 of the "Act on the Allocation and Trading of Greenhouse Gas Emission Permits." Minor discrepancies may occur in the total emissions due to rounding of individual figures.
2) Emissions intensity was calculated based on sales in the separate financial statements, and the organizational boundary covers all domestic business sites.
3) Scope 3 emissions have been calculated since 2024 and have not been externally verified by a third party.

Energy

Metrics			Unit	2023	2024	2025
Energy Consumption	Total Energy Consumption		TJ	18,984	13,573	10,730
	Intensity		TJ/KRW 100 million	1.23	1.29	0.90
	Non-renewable energy	Total Use	TJ	18,984	13,573	10,730
		Fuel Use	TJ	3,102	1,960	1,551
		Electricity Use	TJ	15,884	11,616	9,180

Water

Metrics			Unit	2023	2024	2025
Water Consumption[1]	Total Water Consumption		m^3	4,390,414	3,232,968	2,643,185
Water Withdrawal	Municipal Water Supply	Head Office	m^3	16,046	14,070	13,425
		Sukpo Smelter	m^3	3,225,003	2,204,849	1,691,809
		Donghae Office	m^3	881	786	820
		Green Metal Campus	m^3	194	370	390
	Industrial Water	Sukpo Smelter	m^3	0	0	0
	Stormwater	Sukpo Smelter	m^3	261,705	247,718	220,035
	Total Water Withdrawal		m^3	3,503,829	2,467,793	1,926,479
Water Reuse	Total Reused Water		m^3	886,585	765,175	730,557
Water Discharge	Total Water Discharge		m^3	0	0	13,851[2]

1) Water Consumption = Water Withdrawal + Reused Water – Water Discharge
2) As plant-wide operations were suspended in 2025, operation of the Zero Liquid Discharge (ZLD) system was restricted. Following consultation with the relevant authorities, stormwater and groundwater flowing into the site were discharged after basic water treatment, resulting in the reported water discharge.

ESG Data

Environmental Data

Pollutants

Metrics		Unit	2023	2024	2025
Water Pollutant Emissions	Total Organic Carbon	tonne	0	0	0
	Total Biochemical Oxygen Demand	tonne	0	0	0
	Total Suspended Solids	tonne	0	0	0
Air Pollutant Emissions	NOx	tonne	184.21	113.28	18.38
	SOx	tonne	101.79	36.24	13.38
	Persistent Organic Pollutants (POPs)	tonne	0	0	0
	Volatile Organic Compounds (VOCs)	tonne	4.19	3.71	7.56
	Mercury (Hg)	tonne	0.006	0.009	0.001
	Lead (Pb)	tonne	0.231	0.165	0.059
	Hazardous Air Pollutants (HAPs)	tonne	41.34	32.72	30.86
	Particulate Matter (PM)	tonne	26.45	23.93	19.33

Waste

Metrics			Unit	2023	2024	2025
Waste Emissions	Total Waste Emissions		tonne	331,547	279,173	282,367
	General Waste Emissions	Total Amount	tonne	212,081	140,368	112,211
		Recycled Amount	tonne	207,386	137,290	108,733
		Incinerated Amount	tonne	1,306	1,037	1,077
		Landfilled Amount	tonne	3,389	2,041	2,401
	Designated Waste Emissions	Total Amount	tonne	118,085	137,147	168,682
		Recycled Amount	tonne	32,490	23,613	16,404
		Incinerated Amount	tonne	79	88	53
		Landfilled Amount	tonne	85,516	113,445	152,225
	Construction Waste Emissions	Total Amount	tonne	1,382	1,659	1,474

Raw (Auxiliary) Materials and Recycled Materials

Metrics		Unit	2023	2024	2025
Material Use	Total Material Use	tonne	637,050	423,801	357,883
	Non-renewable Raw (Auxiliary) Materials	tonne	604,780	387,340	329,450
	Recycled Raw (Auxiliary) Materials	tonne	32,270	36,461	28,433

Chemicals and Hazardous Substances

Metrics	Unit	2023	2024	2025
Hazardous Chemical Emissions	tonne	3,440	1,580	470
Chemical Emissions	tonne	32,091	28,340	26,095

Environmental Compliance

Metrics			Unit	2023	2024	2025
Violations of Environmental Laws and Regulations	Number of Violations	Significant Violations of Environmental Laws and Regulations[1)]	Cases	0	0	1[2)]

1)Includes violations resulting in fines of KRW 10 million or more.
2) The violation was identified in 2023; however, as the final administrative disposition was confirmed in 2025, it is reported as a 2025 performance indicator.

Environmental Training

Metrics	Unit	2023	2024	2025
Number of Trainings Per Year	Times	5	3	12
Number of People Trained Per Year	Persons	320	80	220

ESG Data

Social Data

Employee Status

Metrics			Unit	2023	2024	2025
Total Number of Employees[1]			Persons	677	740	782
By Gender	Male		Persons	655	685	726
	Female		Persons	22	55	56
By Age	Under 30		Persons	101	86	77
	30 to 49 Years Old		Persons	425	419	451
	50 Years Old or Older		Persons	151	235	254
By Position	Full Time	Total	Persons	661	645	676
		Male	Persons	640	619	650
		Female	Persons	21	26	26
	Part Time	Total	Persons	16	95	106
		Male	Persons	15	66	76
		Female	Persons	1	29	30
	Subcontractor	Total	Persons	325	260	0
Nationality	Republic of Korea		Persons	676	739	781
	Australia		Persons	1	1	1
Diversity	Employees with Disabilities[2]		Persons	10	9	15
	Veterans		Persons	1	1	1

1) As of December 31. The figures may differ from those disclosed in the Company's Business Report.
2) Data revised to correct and aggregation error

New Hires

Metrics		Unit	2023	2024	2025
Total		Persons	86	147	94
By Gender	Male	Persons	73	110	86
	Female	Persons	13	37	8
By Age	Under 30	Persons	44	26	25
	30 to 49 Years Old	Persons	28	33	47
	50 Years Old or Older	Persons	14	88	22

Employee Turnover

Metrics			Unit	2023	2024	2025
Turnover Rate	Total Turnover Rate		%	11	11	9
	Voluntary Turnover Rate		%	11	8	6
Number of Turnover	Total Number of Turnover		Persons	74	78	73
	By Gender	Male	Persons	65	74	65
		Female	Persons	9	4	8
	By Age	Under 30	Persons	29	24	22
		30 to 49 Years Old	Persons	36	32	28
		50 Years Old or Older	Persons	9	22	23

Women in the Workforce

Metrics		Unit	2023	2024	2025
Ratio of Total Female Employees to Total Number of Employees		%	3	7	7
Non-Executive Staff	Number of Female Working Staff	Persons	16	49	50
	Total Working Staff	Persons	535	596	625
	Female Ratio of Total Working Staff	%	3	8	8
Senior Staff	Number of Female Middle Management	Persons	5	5	5
	Total Number of Middle Management	Persons	72	71	74
	Female Ratio of Total Middle Management	%	7	7	7
Senior Management (Department Head and Higher)	Number of Female Senior Management	Persons	0	0	0
	Total Number of Senior Management	Persons	32	38	44
	Female Ratio of Total Senior Management	%	0	0	0
Executive	Number of Female Executives	Persons	1	1	1
	Total Number of Executives	Persons	38	35	39
	Female Ratio of Total Executives	%	3	3	3

ESG Data

Social Data

Compensation

Metrics			Unit	2023	2024	2025
Average Executive Compensation	Female	Base Salary	KRW million	37	37	44
		Base Salary + Incentives	KRW million	37	37	44
	Male	Base Salary	KRW million	129	134	138
		Base Salary + Incentives	KRW million	132	134	139
Average Employee Compensation	Female	Base Salary	KRW million	37	44	44
		Base Salary + Incentives	KRW million	40	44	46
	Male	Base Salary	KRW million	49	62	61
		Base Salary + Incentives	KRW million	61	62	63
Ratio of the Annual Total Compensation of the Highest-Paid Individual to the Average Employee Compensation	Average Employee Compensation	Amount	KRW million	64	58	57
		Ratio[1)]	%	585	517	486

1) Data revised to correct an aggregation error.

Employee Training and Development

Metrics	Unit	2023	2024	2025
Total Training Expenditure	KRW thousand	84,305	168,284	610,414
Average Training Expenditure per Employee	KRW thousand	125	228	781

Labor Relations

Metrics		Unit	2023	2024	2025
Collective Bargaining Agreement	Coverage rate	%	100	100	100
Labor Union[1)]	Labor union membership rate	%	71	61	58
Labor-Management Council	Number of meetings held	Times	5	4	4

1) 현장직만 해당, 집계오류로 데이터 변경

Parental Leave

Metrics		Unit	2023	2024	2025
Total Subjects	Total	Persons	677	740	782
	Male	Persons	655	685	726
	Female	Persons	22	55	56
Number of Parental Leave	Total	Persons	3	5	52
	Male	Persons	2	5	51
	Female	Persons	1	0	1
Returners	Total	Persons	1	6	53
	Male	Persons	1	5	52
	Female	Persons	0	1[1)]	1
Worked for 12 months longer after returning	Total	Persons	0	4	6
	Male	Persons	0	4	5
	Female	Persons	0	0	1
Return Rate	Male	%	100	100	100
	Female	%	-	-	100

1) Data revised to correct omitted data.

Privacy and Information Security

Metrics		Unit	2023	2024	2025
Complaints and Breaches Related to Personal Information	Complaints received externally regarding privacy breaches	Cases	0	0	0
	Complaints received from regulatory agencies regarding privacy breaches	Cases	0	0	0
Information Security Investments	Investment in information technology	KRW million	1,632	1,046	1,775
	Investment in information protection	KRW million	156	62	84
	Ratio of investment in information protection compared to investment in information technology	%	9.6[1)]	5.9	4.7

1) Data revised to correct an aggregation error.

ESG Data

Social Data

Occupational Safety and Health

Metrics			Unit	2023	2024	2025
Work-related Injuries	Employee	Accidents and disasters	Cases	11	8	11
		Industrial accident rate	%	1.1	1.4	1.7
		Frequency rate of injury	%	6.5	4.7	5.8
		Lost Time Injury Frequency Rate (LTIFR)	%	6.5	4.7	5.8
		Deaths	Persons	0	0	0
		Near miss accidents	Cases	8	8	14
	Partner Company	Accidents and disasters	Cases	7	5	3
		Industrial accident rate	%	2.1	1.8	1.9
		Frequency rate of injury	%	7.2	6.1	6.4
		Deaths	Persons	1	1	0
		Number of Near Misses	Cases	9	5	1
Work-related Ill Health	Employee	Number of Cases	Cases	0	1	0
		Deaths	Persons	0	0	0
	Partner Company	Number of Cases	Cases	12	16	19
		Deaths	Persons	1	1	0

Violation of Law

Metrics		Unit	2023	2024	2025
Number of significant violations of society-related laws and regulations		Cases	5	6	7
Number of fines imposed due to significant	Cases	Cases	0	4	2
	amount	KRW million	0	319	1
Number of non-monetary sanctions imposed for significant violations of society-related laws and regulations		Cases	5	2	5

Hotline Report Status

Metrics		Unit	2023	2024	2025
Reports Received	Total number of reports	Cases	8	0	0
	Workplace harassment	Cases	1	0	0
	Sexual harassment	Cases	0	0	0
	Breach of trust/embezzlement	Cases	0	0	0
	Violation of regulations	Cases	7	0	0
	Privacy breaches	Cases	0	0	0
	Safety and health	Cases	0	0	0
	Other	Cases	0	0	0
Measures Taken	Reprimand	Cases	1	0	0
	Reduction in pay	Cases	2	0	0
	Suspension	Cases	3	0	0
	Dismissal	Cases	0	0	0
	Termination	Cases	0	0	0
	Others (pay cuts, etc.)	Cases	0	0	0

Community Engagement

Metrics			Unit	2023	2024	2025
Social contribution expenses	YOUNG POONG HQ	Activity costs	KRW million	68	21	70
	Sukpo Smelter	Activity costs	KRW million	277	120	179
		In-kind donations	KRW million	77	79	256
	YOUNG POONG Cultural Foundation	Activity costs	KRW million	756	800	520

ESG Data

Governance Data

Board Composition

Metrics	Unit	2023	2024	2025
Total number of board members	Persons	5	5	6
Number of independent directors	Persons	3	3	4
Ratio of independent directors	%	60	60	67
Number of registered executives who are not controlling shareholders or relatives	Persons	5	5	6

Board Activities

Metrics			Unit	2023	2024	2025
Board meetings	Number of meetings		Times	16	15	15
Board attendance	Inside Directors		%	100	67	97
	Independent Director		%	100	100	100
Number of independent director objection/revision comments			Cases	0	0	0
Audit Committee	Number of meetings		Times	3	5	3
	Attendance rate		%	100	100	100
	Number of agenda items		Cases	3	10	9
	Members	Total members	Persons	3	3	3
		Independent Director	Persons	3	3	3
		Accounting or finance professionals	Persons	2	1	1
Independent Director Nominating Committee	Number of meetings		Times	3	1	2
	Attendance rate		%	100	100	100
	Number of agenda items		Cases	3	1	2
	Percentage of independent directors on the independent Director Nominating Committee		%	67	67	67

Executive Compensation

Metrics	Unit	2023	2024	2025
Total annual compensation of Inside Directors	KRW million	417	415	456
Total annual compensation of independent directors	KRW million	121	111	166

Treasury Stock

Metrics	Unit	2023	2024	2025
Net income	KRW million	(43,025)	(154,004)	(241,777)
Interest coverage ratio	Times	(18.07)	(10.66)	(15.68)

Return to Shareholders

Metrics		Unit	2023	2024	2025
Stock Type		1 share	Common Shares	Common Shares	Common Shares
Cash Dividend	Face value	won	5,000	5,000	500
	Dividend per share	won	10,000	50	5
	Total cash dividends	KRW million	17,201	86	89
	Total stock dividends	KRW million	-	344[1)]	268
	Cash dividend yield	%	1.94	0.01	0.01
	Stock dividend yield	%	-	(0.03)	(0.07)
	(Consolidated) Cash dividend payout ratio	%	(28.26)	(0.03)	(1.07)

1) Data revised to correct an aggregation error.

Share Ratio

Metrics	Unit	2023	2024	2025
Number of common shares outstanding	1 share	1,842,040	1,842,040	18,077,950
Number of common shares held by individual largest shareholders and related parties	1 share	1,303,352	1,182,173	12,709,940
Total number of shares held by registered officers, excluding individual largest shareholders and related parties	1 share	0	0	0
Total shareholding percentage of registered officers, excluding individual largest shareholders and related parties	%	0	0	0
Number of common shares held by affiliated companies in the Company	1 share	515,740	510,085	7,042,810
Total shareholding percentage of affiliated companies in the Company	%	28	28	39
Number of institutional investors who are signatories to the Stewardship Code* holding 5% or more of the common shares	1 person	1	0	0
Number of foreign investors holding 5% or more of the common shares	1 person	0	0	0

ESG Data

Governance Data

Equity Capital

Metrics		Unit	2023	2024	2025
Investments	Total equity	KRW million	1,710,002	1,536,434	1,287,775
	Total investments in affiliated companies	KRW million	908,356	894,601	885,641
	Ratio of total investments in affiliated companies to total equity[1]	%	53.12	58.23	68.77
Credit Extensions	Total equity	KRW million	1,710,002	1,536,434	1,287,775
	Total credit facilities extended to affiliated companies	KRW million	0	0	250
	Ratio of total credit facilities extended to affiliated companies to total equity	%	0	0	0.02

1) Corrected and disclosed due to an error in the aggregate data from the previous year

Compliance, Anti-Corruption, and Anti-Competitive Practices

Metrics		Unit	2023	2024	2025
Confirmed Corruption Cases and Actions Taken	Total number of corruption cases detected	1 case	2	0	0
	Total number of cases in which employees were terminated or disciplined due to detected corruption	1 case	1	0	0
	Total number of cases in which contracts with business partners were terminated or not renewed due to corruption-related violations	1 case	0	0	0
	Public legal cases involving the organization or its members due to corruption cases during the reporting period, and the outcomes of those cases	1 case	0	0	0
Anti-competitive Practices, Monopolies, and Other Unfair Trade Practices, and Actions Taken	Number of ongoing or completed legal cases involving the organization related to anti-competitive behavior and violations of antitrust/anti-monopoly laws during the reporting period	1 case	0	0	0
	Total financial loss resulting from regulatory violations due to unfair trade practices	KRW million	0	0	0

Distribution of Economic Value

Metrics		Unit	2023	2024	2025
Payments to Employees[1]	Total payments	KRW million	55,464	55,362	64,920
	Salaries	KRW million	44,568	42,972	48,782
	Employee benefits	KRW million	6,790	7,738	10,698
	Severance pay	KRW million	4,106	4,653	5,441

1) Corrected and disclosed due to an error in the aggregate data from the previous year

Tax Payment Status by Country

Metrics		Unit	2023	2024	2025
South Korea	Revenue	KRW million	1,546,654	1,053,314	1,192,666
	Pre-tax Profit	KRW million	(78,044)	(201,336)	(289,091)
	Income Tax Expense	KRW million	(35,019)	(47,332)	(47,314)

Association Membership Status

Association Name	Purpose	Membership	Unit	Annual Dues
Korea Nonferrous Metal Association	Sharing of nonferrous metals-related information and networking among members	Full Membership	10K won	3,288
The Federation of Korean Industries	Provision of domestic and international economic information; policy recommendations to the government on current economic issues; economic consulting	Full Membership	10K won	2,700
Korean Listed Companies Association	Provision of legal, accounting, and tax information related to listed companies; consulting on investment and disclosure matters	Full Membership	10K won	830
Korea Chamber of Commerce and Industry	Provision of information on major economic issues; proposals for the enactment or revision of business-related laws and regulations; proposals for improvements to business-related regulations	Full Membership	10K won	430
Korea Metal Recycling Industry Association	Fostering solidarity within the metal mining industry through the revitalization of metal resources; promoting urban mining through technologies, distribution structures, and industry status updates	Full Membership	10K won	240
Korea Battery Industry Association	Fostering domestic and international exchange of technology and information related to rechargeable batteries; exploring new business opportunities for member companies based on domestic and international market trends	Full Membership	10K won	50
Korea International Trade Association	Identifying trade-related buyers and facilitating transactions; providing expert consultation and advice on trade matters; issuing trade-related certificates	Full Membership	10K won	15

Financial Performance

Consolidated Statement of Financial Position

(Unit: KRW)

Classification	2023	2024	2025
Assets			
Current assets	1,369,894,823,006	1,556,095,230,506	1,375,398,468,297
Cash and cash equivalents	267,016,479,680	210,760,801,204	137,031,350,994
Other current financial assets	225,697,134,728	357,776,468,646	333,746,815,114
Accounts receivable and other receivables	426,997,862,727	357,822,618,050	361,860,486,152
Other current assets	8,094,340,180	24,369,487,966	11,947,432,669
Inventory	442,089,005,691	605,365,854,640	530,812,383,368
Non-current assets	4,198,222,147,049	4,145,612,484,257	4,627,295,751,201
Other comprehensive income (loss) - financial assets measured at fair value	83,686,833,269	112,786,383,433	94,255,977,885
Other non-current financial assets	172,326,346,678	333,681,412,182	97,771,461,657
Investments in associates	2,505,211,270,097	2,542,406,094,539	3,236,308,943,380
Investment property	504,448,318,492	492,280,657,618	486,476,182,545
Property, plant, and equipment	903,271,770,926	642,103,522,943	563,984,649,629
Right-of-use assets	17,122,822,212	14,560,098,903	8,581,596,709
Intangible assets	6,924,728,897	5,722,662,376	5,733,807,355
Other noncurrent assets	5,230,056,478	2,071,652,263	1,037,773,977
Deferred tax assets			133,145,358,064
Total assets	5,568,116,970,055	5,701,707,714,763	6,002,694,219,498
Liabilities			
Current liabilities	688,209,207,689	927,947,129,412	1,431,380,114,334
Accounts payable and other payables	347,896,385,023	385,148,115,016	302,640,684,713
Current borrowings	179,483,960,077	373,691,602,719	212,096,018,214
Other current financial liabilities	59,465,344,117	52,119,910,237	776,163,591,338
Accrued liabilities	82,889,998,752	96,958,687,010	114,297,854,255
Other current liabilities	14,325,655,902	16,667,159,331	26,181,965,814
Current corporate tax liabilities	4,147,863,818	3,361,655,099	

Classification	2023	2024	2025
Non-current liabilities	597,138,967,582	788,459,300,205	552,527,880,662
Non-current borrowings	240,222,417,412	238,591,857,566	211,121,167,681
Other non-current financial liabilities	21,748,566,460	312,054,958,988	23,690,142,030
Retirement benefit liabilities	20,519,259,640	13,469,272,819	12,667,739,633
Accrued liabilities	175,345,348,139	160,498,543,926	260,049,913,152
Other noncurrent liabilities	56,056,998,898	53,891,257,255	44,998,918,166
Deferred corporate tax liabilities	83,246,377,033	9,953,409,651	
Total liabilities	1,285,348,175,271	1,716,406,429,617	1,983,907,994,996
Equity			
Equity attributable to owners of the parent	3,813,167,014,890	3,588,874,693,479	3,596,920,882,242
Share capital	9,210,200,000	9,210,200,000	9,554,225,000
Share premium	1,807,717,500	1,807,717,500	1,807,717,500
Treasury shares	(17,461,324,328)	(17,461,324,328)	(2,999,946,074)
Other components of equity	6,736,137,575	56,102,005,876	59,689,987,996
Retained earnings	3,812,874,284,143	3,539,216,094,431	3,528,868,897,820
Non-controlling interests	469,601,779,894	396,426,591,667	421,865,342,260
Total equity	4,282,768,794,784	3,985,301,285,146	4,018,786,224,502
Total equity and liabilities	5,568,116,970,055	5,701,707,714,763	6,002,694,219,498

Financial Performance

Consolidated Statement of Comprehensive Income

(Unit: KRW)

Classification	2023	2024	2025
Sales	3,761,732,632,263	2,787,414,358,375	2,908,974,321,148
Cost of Goods sold	3,787,681,165,939	2,830,020,314,859	3,050,789,796,704
Gross profit	(25,948,533,676)	(42,605,956,484)	(141,815,475,556)
SG&A expenses	143,923,608,794	118,161,506,512	117,320,136,012
Bad debt expense (bad debt reversal)	(59,533,702)	(65,527,190)	553,096,918
Operating income (loss)	(169,812,608,768)	(160,701,935,806)	(259,688,708,486)
Other income	104,589,665,060	60,500,151,138	551,345,062,341
Other losses	205,917,476,236	316,799,794,144	200,188,079,615
Financial income	101,146,047,591	311,237,961,987	350,686,877,654
Financing costs	78,954,931,113	349,531,203,482	798,815,182,841
Equity method gains and losses	146,353,346,977	49,275,858,747	233,066,989,506
Net income (loss) before corporate tax	(102,595,956,489)	(406,018,961,560)	(123,593,041,441)
Corporate tax expense (revenue)	(19,226,793,925)	(78,209,235,840)	(154,469,862,906)
Net income (loss)	(83,369,162,564)	(327,809,725,720)	30,876,821,465
Attribution of net income (loss)			
Net income attributable to controlling interest	(60,861,951,076)	(252,140,554,081)	(8,302,537,183)
Net income attributable to noncontrolling interests	(22,507,211,488)	(75,669,171,639)	39,179,358,648

Classification	2023	2024	2025
Other comprehensive income (loss)	(20,047,329,629)	49,241,254,423	10,307,641,329
Items subsequently reclassified to profit or loss	3,233,743,105	50,479,837,046	(667,637,049)
Changes in equity method shareholders' equity	4,412,476,414	60,048,336,262	2,382,614,658
Gain or loss on return from foreign operations	(294,413,710)	4,304,811,772	(2,243,087,028)
Corporate tax effect on other comprehensive income (loss)	(884,319,599)	(13,873,310,988)	(807,164,679)
Items that are not subsequently reclassified to profit or loss	(23,281,072,734)	(1,238,582,623)	10,975,278,378
Other comprehensive income (loss) - gains or loss on financial assets measured at fair value	989,682,202	(1,541,449,836)	(7,345,712,606)
Changes in equity method shareholders' equity	(8,984,611,809)	(61,029,174)	26,594,807,749
Equity method retained earnings	(10,960,910,276)	(5,916,387,045)	3,649,453,107
Remeasurements of defined benefit plans	(6,984,351,664)	(3,618,740,800)	(1,614,017,134)
Income (loss) from foreign operations (noncontrolling interest)	(382,246,370)	5,071,256,585	(2,209,827,117)
Change in gain on disposal of equity method shares	(561,290,503)	0	
Corporate tax effect on other comprehensive income (loss)	3,602,655,686	4,827,767,647	(8,099,425,621)
Total comprehensive income (loss)	(103,416,492,193)	(278,568,471,297)	41,184,462,794
Attribution of comprehensive income (loss)			
Total comprehensive income (loss) attributable to controlling interest	(78,877,089,637)	(207,208,236,438)	4,530,957,738
Total comprehensive income (loss) attributable to noncontrolling interests	(24,539,402,556)	(71,360,234,859)	36,653,505,056
Earnings per share			
Basic and diluted earnings per share to owners of the parent company	(3,405)	(14,106)	(464)

GRI Index

Statement of use	YOUNG POONG has reported the information cited in this GRI Content Index for the period from January 1, 2025 to December 31, 2025 in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	GRI 14 : Mining Sector 2024

General Disclosures

Classification	GRI Standards	Contents	Page
The organization and its reporting practices	2-1	Organizational details	6-8
	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	Noted separately in footnotes
	2-5	External assurance	90-91
Activities and workers	2-6	Activities, value chain and other business relationships	9-14
	2-7	Employees	77
	2-8	Non-regular workers	77
Governance	2-9	Governance structure and composition	67-70
	2-10	Nomination and selection of the highest governance body	68-70
	2-11	Chair of the highest governance body	67
	2-12	Role of the highest governance body in overseeing the management of impacts	69-70
	2-13	Delegation of responsibility for managing impacts	72-73
	2-14	Role of the highest governance body in sustainability reporting	19-20
	2-15	Conflicts of interest	68
	2-16	Communication of critical concerns	19-20, 67-70
	2-17	Collective knowledge of the highest governance body	70
	2-18	Evaluation of the performance of the highest governance body	69
	2-19	Remuneration policies	69
	2-20	Process to determine remuneration	69
	2-21	Annual total compensation ratio	78

Classification	GRI Standards	Contents	Page
Strategy, policies, and practices	2-22	Statement on sustainable development strategy	5
	2-23	Policy commitments	19, 35, 43, 48-49, 54, 58, 63, 71
	2-24	Embedding policy commitments	19, 35, 43, 48-49, 54, 58, 63, 71
	2-25	Processes to remediate negative impacts	36-38, 41-42, 50-52, 54-57, 59, 72-73
	2-26	Mechanisms for seeking advice and reporting concerns	51, 59
	2-27	Compliance with laws and regulations	76, 79, 81
	2-28	Membership associations	81
Stakeholder engagement	2-29	Approach to stakeholder engagement	23
	2-30	Collective bargaining agreements	78

GRI Index

Material Topics

Classification	GRI Standards	GRI 14: Mining Sector	Contents	Page
Disclosure of material topics	3-1		Process to determine material topics	20-22
	3-2		List of material topics	20-22
	3-3		Management of material topics	21-22
Climate Change Response				
Greenhouse Gas Emissions	305-1	14.1.5	Direct (Scope 1) GHG emissions	75
	305-2	14.1.6	Energy indirect (Scope 2) GHG emissions	75
	305-3	14.1.7	Other indirect (Scope 3) GHG emissions	75
	305-4	14.1.8	GHG emissions intensity	75
	305-5	14.1.9	Reduction of GHG emissions	33
Promotion of Energy Efficiency				
Energy	302-1	14.1.2	Energy consumption within the organization	75
	302-3	14.1.4	Energy intensity	75
	302-4		Reduction of energy consumption	33
Water Quality Management				
Water and Effluents	303-1		Interactions with water as a shared resource	35, 37
	303-2		Management of water discharge-related impacts	37
	303-3		Water withdrawal	75
	303-4		Water discharge	75
	303-5		Water consumption	75
Air Quality Management				
Emissions	305-7	14.3.2	Nitrogen oxides (NOx), Sulfur Oxides (SOx), and other significant air emissions	76
Waste Management				
Materials	301-1		Materials used by weight or volume	76
	301-2		Recycled input materials used	76
Waste	306-1		Waste generation and significant waste-related impacts	36, 38-42
	306-2		Management of significant waste-related impacts	36, 38-42
	306-3		Waste generated	76
	306-4		Waste diverted from disposal	76
	306-5		Waste directed to disposal	76
Soil contamination management				
Waste	306-3		Waste generated	76
Biodiversity				
Biodiversity	101-1		Policy to halt and reverse biodiversity loss	43
	101-2		Management of biodiversity impacts	46
	101-4		Identification of biodiversity impacts	43-45
	101-5		Areas with biodiversity impacts	43-45
	101-6		Direct drivers of biodiversity loss	43-46
Workplace Safety and Employee Health				
Occupational Health and Safety	403-1	14.16.2	Occupational health and safety management system	54
	403-2	14.16.3	Hazard identification, risk assessment, and incident investigation	54-55
	403-3	14.16.4	Occupational health services	57
	403-4	14.16.5	Worker participation, consultation, and communication on occupational health and safety	53, 56
	403-5	14.16.6	Worker training on occupational health and safety	56
	403-6	14.16.7	Promotion of worker health	57, 61
	403-7	14.16.8	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	55-57
	403-8	14.16.9	Workers covered by an occupational health and safety management system	54
	403-9	14.16.10	Work-related injuries	79
	403-10	14.16.11	Work-related illness	79
Shared Prosperity with Local Communities				
Local Communities	413-1		Business sites with local community engagement, impact assessments and development programs	64-65
Responsible Supply Chain Management				
Supplier social assessment	414-2		Negative social impacts in the supply chain and actions taken	49-50

GRI Index

Material Topics

Classification	GRI Standards	GRI 14: Mining Sector	Contents	Page
Ethics and compliance management				
Anti-corruption	205-2		Communication and training about anti-corruption policies and procedures	71-73
	205-3		Confirmed incidents of corruption and actions taken	81
Anti-Competitive Behavior	206-1		Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	81
Tax	207-1		Approach to tax	81
Anti-discrimination	406-1		Incidents of discrimination and corrective actions taken	79
Child Labor	408-1		Business sites and suppliers at significant risk for incidents of child labor	49
Forced Labor	409-1		Business sites and suppliers at significant risk for incidents of forced labor	49
Public Policy	415-1		Political contributions	Not applicable
Customer Privacy	418-1		Substantiated complaints concerning breaches of customer privacy and losses of customer data	78
Compliance	419		Non-compliance with laws and regulations in the social and economic area	76, 79, 81

Non-Material Topics

Classification	GRI Standards	Contents	Page
Economic performance	201-1	Direct economic value generated and distributed	78, 80-81
	201-2	Financial implications and other risks and opportunities due to climate change	28-31
Indirect economic impacts	203-1	Infrastructure investments and services supported	64-65, 79
Employment	401-1	New employee hires and employee turnover	77
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	61
	401-3	Parental leave	78
Training and education	404-2	Programs for upgrading employee skills and transition assistance programs	61
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	77
	405-2	Ratio of basic salary and remuneration of women to men	78
Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	62
Training on human rights policies and procedures	404-2	Employee training on human rights policies or procedures	61

SASB Index

YOUNG POONG discloses key ESG information in accordance with the Metals & Mining standards of the U.S. Sustainability Accounting Standards Board (SASB) to communicate the financial impacts of its sustainability management with investors, customers, and other stakeholders.

Disclosure Topics & Metrics

Classification	Code	Category	Metrics	Unit of Measure	Page
Greenhouse Gas Emissions	EM-MM-110a.1	Quantitative	Gross global Scope 1 emissions	Metric tonne (CO_2-e, %)	75
	EM-MM-110a.2	Qualitative	Discussion of long- and short-term strategy for managing Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-	26-32
Air Quality	EM-MM-120a.1	Quantitative	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	Metric tonne (t)	76
Energy Management	EM-MM-130a.1	Quantitative	(1) Total energy consumed, (2) grid electricity consumed and (3) ratio of renewable energy	Gigajoule (GJ), %	75
Water Management	EM-MM-140a.1	Quantitative	1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	m^3%	37, 75
	EM-MM-140a.2	Quantitative	Number of incidents of non-compliance with water quality permits, standards, and regulations	Number	76
Waste & Hazardous Materials Management	EM-MM-150a.4	Quantitative	Total weight of non-mineral waste generated	Metric tonne (t)	76
	EM-MM-150a.7	Quantitative	Total weight of hazardous waste generated	Metric tonne (t)	76
	EM-MM-150a.8	Quantitative	Total weight of hazardous waste recycled	Metric tonne (t)	76
	EM-MM-150a.9	Qualitative	Number of significant incidents associated with hazardous materials and waste management	Number	76
	EM-MM-150a.10	Qualitative	Description of waste and hazardous materials management policies and procedures at active and inactive sites	n/a	39-42
Biodiversity Impacts	EM-MM-160a.1	Qualitative	Description of environmental management policies and practices at active sites	n/a	43
Labor Practices	EM-MM-310a.1	Quantitative	Percentage of active workforce employed under collective agreements	Percentage (%)	78
Workforce Health & Safety	EM-MM-320a.1	Qualitative	(1) All-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) direct employees and (b) contract employees	Percentage (%), hour	79
Business Ethics & Transparency	EM-MM-510a.1	Qualitative	Description of the management system for prevention of corruption and bribery throughout the value chain	-	71

Activity Metrics

Code	Metrics	Category	Unit	Page
EM-MM-000.A	Production of (1) metal ore and (2) finished metal products	Quantitative	Metric tons (t) saleable	9-10
EM-MM-000.B	Total number of employees	Quantitative	Number	77

TCFD Index

Category	Recommended Disclosures	Page
Governance	Board's oversight of climate-related risks and opportunities	26
	Management's role in assessing and managing climate-related risks and opportunities	
Strategy	Climate-related risks and opportunities the organization has identified over the short, medium, and long term	26-31
	Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	
	Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
Risk Management	Processes for identifying and assessing climate-related risks	26-31
	Processes for managing climate-related risks	
	How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	
Metrics and Targets	Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	26-27, 32, 75
	Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and the related risks	
	Targets used by the organization to manage climate-related risks and opportunities and performance against targets	

UN SDGs

UN SDGs	YOUNG POONG's Activities	Report Page
 Good Health and Well-being	· Strengthening safety and health for employees and partner workers through relevant programs	57
 Quality Education	· Providing continuous learning opportunities through various training programs to enhance employee competencies	61
 Clean Water and Sanitation	· Operating a Zero Liquid Discharge (ZLD) System to reuse 100% of wastewater · Preventing Nakdong River contamination by installing impermeable barriers	37
 Affordable and Clean Energy	· Development of a solar power plant utilizing idle land at business sites · Supporting the development of local renewable energy infrastructure through a wind power business cooperation agreement	33
 Decent Work and Economic Growth	· Promoting responsible mineral sourcing through the identification and management of supply chain risks in conflict-affected and high-risk areas	48
 Industry, Innovation and Infrastructure	· Participating in industry associations to build a healthy industrial ecosystem · Increasing investments to minimize environmental impact	81, 16
 Reduced Inequalities	· Stipulating non-discrimination clauses in the Human Rights Management Policy regarding race, age, gender, nationality, disability, and religion in hiring and promotion	58
 Responsible Consumption and Production	· Obtaining RMAP certification · Establishing supply chain ESG management policy and risk assessment and management policy · Revising the Partners Code of Conduct and Responsible Minerals Sourcing Policy	48-49, 52
 Climate Action	· Establishing carbon neutrality targets and strategies for 2050 · Providing environmental education for employees	26-27, 38
 Life on Land	· Establishing Biodiversity Protection Policy · Conducting biodiversity risk assessments at business sites	43-45
 Peace, Justice and Strong Institutions	· Establishing an anti-corruption policy · Strengthening corruption prevention and controls through corruption risk assessments · Strengthening a transparent and accountable management system through the operation of the Grievance Channel	71-73

Third-Party Assurance Statement

Dear Stakeholders

Korean Foundation for Quality (hereinafter 'KFQ') has been engaged to independently verify the 2025 Sustainability Report (hereinafter 'the Report')[2] of YOUNG POONG[1] (hereinafter 'the Company'). KFQ is responsible for providing an independent third-party verification opinion on the report based on the verification criteria and scope specified below. The responsibility for the preparation of this report lies with the Company's management.

1) Organization Address (based on headquarters) : 542, Gangnam-daero, Gangnam-gu, Seoul, Republic of Korea
2) Data Collection Period : From January 1, 2025 to December 31, 2025. Some activities and achievements include information from the first half of 2026..

Verification Purpose

The purpose of this verification is to ensure the reliability of the data and information stated in the Company's report.

Verification Scope

1. Verification Boundary : Reporting boundaries specified in the report (headquarters, domestic and overseas business sites, overseas subsidiaries)
2. Verification Items (Based on the GRI Standards 2021)

Category	GRI Standards	
Universal Standards	· 2-1 to 2-5(The organization and its reporting practices) · 2-6 to 2-8(Activities and workers) · 2-9 to 2-21(Governance)	· 2-22 to 2-28(Strategy, policies, and practices) · 2-29 to 2-30(Stakeholder engagement) · 3-1 to 3-3 (Material Topics Disclosures)
Topic Standards	· GRI 101(Biodiversity) · GRI 205(Anti-corruption) · GRI 302(Energy) · GRI 303(Water and Effluents) · GRI 305(Emissions)	· GRI 306(Waste) · GRI 403(Occupational Health and Safety) · GRI 413(Local Communities) · GRI 414(Supplier Social Assessment)

* Specific topic standards: Criteria for provisions related to major topics

3. Excluded Items from Verification: The following items are not included within the scope of verification
   1) Performance and reporting practices of subsidiaries, affiliates, partners, and third parties
   2) Items related to other sustainability initiatives not based on the GRI Standards 2021 presented in the report
   3) Other related information such as periodic disclosure reports and financial statements

Verification Criteria

This verification has been conducted based on [AA1000AS (v3)], [AA1000AP (2018)], and [Type 2 – Moderate]

Verification Method

The audit team reviewed relevant procedures, systems, and control mechanisms, along with available performance data, to verify the reliability of the report's content based on the aforementioned criteria. The documents reviewed during the verification process are as follows:

- Non-financial Information : Data provided by the company, disclosed Business Reports, and information obtained from media and/or the internet.
- Financial Information : Data disclosed in the electronic disclosure system (dart.fss.or.kr) of the Financial Supervisory Service and data posted on the homepage.

(However, the contents of the above data are not included in the verification scope.)

The verification was conducted through document review, on-site visits, and interviews with the responsible personnel. The validity of the materiality assessment procedure in the Report, the selection of material issues considering stakeholders, the data collection, management, and report preparation procedures, as well as the accuracy of the descriptions, were evaluated through interviews with the responsible personnel. However, interviews with internal/external stakeholders were not conducted. Subsequently, it was confirmed that any errors, inappropriate information, or unclear expressions identified in the above steps were appropriately corrected before the publication of the Report..

Verification Limitations

This verification inherently contains limitations that may arise in the process of applying the criteria and methodology.

Competency and Independence

The audit team for this verification was duly composed in accordance with KFQ's internal regulations. KFQ has no conflicts of interest that could compromise the independence and impartiality of the verification, apart from providing third-party verification services..

Third-Party Assurance Statement

Verification Opinion

As a result of the verification, it is the opinion of KFQ that:

1) It has been confirmed that the Report was prepared in compliance with the four principles of AA1000AP (2018)

- **Inclusivity**
  The company has appropriately defined stakeholder groups and communicates with them through tailored communication channels that consider the characteristics of each group. The audit team did not identify any missing key stakeholders in this process and confirmed that the company is making efforts to incorporate stakeholder feedback into its management strategy.
- **Materiality**
  The company has identified material issues through an appropriate process and has thoroughly reviewed the relevant impacts to enhance the validity of its materiality assessment. The audit team confirmed that the identified material issues were given due emphasis in this report and that all material issues recognized during the materiality assessment process were reported without omission.
- **Responsiveness**
  The company strives to respond promptly to stakeholders' requirements and key concerns. The audit team did not find any evidence indicating that the organization's response activities and performance regarding material issues were inappropriately reported.
- **Impact**
  The company identifies and monitors the impact of stakeholder-related material issues across its business activities and reports the findings to the extent possible. The audit team did not find any evidence indicating that the impact of material issues was inappropriately measured or reported.

2) The report has been appropriately prepared in accordance with the applicable reporting standards, such as (GRI Standards (2021) - Accordance, SASB, TCFD, UN SDGs)

3) The data and information used for verification were limited to the provided materials and were found to be appropriate, with no significant errors or omissions that could affect the verification opinion.

2026-06-23

Ji Young Song, CEO
Korean Foundation for Quality (KFQ)

kfq Korean Foundation for Quality

AA1000
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000-80/V3-05WG1

Ji Young Song

Greenhouse Gas Emissions Assurance Statement

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of GHG Report of YOUNG POONG[1] (hereinafter 'Company') for 2025.

1) Organization address (based on headquarters) : Young Poong Building, 542, Gangnam-daero, Gangnam-gu, Seoul, Republic of Korea

Verification Purpose

The purpose is to ensure the reliability of the company's GHG Report in relation to the operation of the Emissions Trading Scheme.

Verification Scope

KFQ's verification covered all facilities and emission sources under the operational control and organizational boundary of Company during 2025.

Verification Criteria

The verification process was based on [Rule for emission reporting and certification of GHG emission trading Scheme[2]], [Rules for verification of operating the GHG emission trading scheme[3]] and [ISO14064-3] for every applicable part.

2) Notification No. 2025-64 of Ministry of Environment
3) Notification No. 2025-165 of Ministry of Environment

Level of Assurance

The Verification has been planned and conducted as the 'Rules for verification of operating the GHG emission trading scheme' and the level of assurance for verification shall be satisfied as reasonable level of assurance. And it was confirmed through an internal review whether the entire process of verification was conducted effectively.

Verification Limitation

The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

Verification Opinions

KFQ present the following conclusions regarding the GHG emissions data included in the GHG Report.
GHG emissions have been appropriately calculated according to the "Rule for emission reporting and certification of GHG emission trading Scheme" and "ISO14064-1" methodologies.
The materiality assessment result of GHG emissions has satisfied the criteria for an organization that emits more than 500,000 tCO_2-eq and less than 5,000,000tCO_2-eq by meeting less than 2.5% of the total emissions.
Thus, KFQ concludes that GHG Emissions of Company in 2025 is correctly calculated and reported in accordance with "Rule for emission reporting and certification of GHG emission trading Scheme".

(Unit : tCO_2eq)

Scope 1	Scope 2	Total
177,993.623	439,316.406	617,308

* The totals in this verification statement do not match the totals in emission trading scheme because the total emissions of each facility are calculated by truncating to integer units.

June 1st, 2026

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CEO Ji-Young Song
Korean Foundation for Quality

YOUNGPOONG

Sustainability Report 2025

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