

Responsible Minerals Report 2023

1 Company Profile

Name	Young Poong Corporation Sukpo Smelter
Location	<p>[Head Office] Young Poong building, 542, Gangnam-daero, Gangnam-gu, Seoul, 06110 South Korea</p> <p>[Sukpo smelter] 16, Seungbu-gil, Sukpo-myeon, Bonghwa-gun, Gyeongsangbuk-do, Republic of Korea</p> <p>Founded in 1949, we completed the zinc smelter in 1970 and are a world-class company that has 400,000 tons of zinc production capacity.</p>
Description	<p>In 2021, we declared a 0% wastewater discharge plan and completed the implementation of a zero-discharge system to become an eco-friendly company that grows together with its environment and become a world-class non-ferrous metal company.</p>
Product	<p>Special High Grade Zinc Ingot (LME Brand : YP-SHG)</p> <p>Continuous Galvanizing Grade Zinc Jumbo Block</p> <p>Zinc Die-Casting Alloy ingot</p> <p>Sulfuric acid</p> <p>Electrolytic copper cathode</p>
Type	Smelter
Ownership	Young Poong Corporation
Period of Report	January to December 2023

2 Purpose

Young Poong Corporation (“We”) is committed to participating in the responsible sourcing of minerals and fulfilling its social responsibility to protect human rights and the environment. We aim to address social issues such as human rights violations, environmental destruction and the funding of conflict groups in Conflict Affected and High-Risk Areas (CAHRAs).

To ensure the management of Responsible Minerals, we have established the policy and implemented the standard operating procedures by supporting the “Due Diligence Guidance” suggested by the OECD and “Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc” by the RMI. We follow five steps of management process when purchasing raw materials.

1 Responsible Minerals & Conflict Minerals

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2 Conflict Affected and High-Risk Areas

Young Poong Corporation has adopted the CAHRAs designation methodology, aligning with the Dodd-Frank Act. and regularly updated the list of conflict-affected and High-Risk areas (CAHRAs) or ‘EU list’: <https://www.cahraslist.net/cahras>

CAHRAs are determined by assessing the presence of armed conflict, widespread violence or other potential risks to individuals, such as child labor and human rights violations. Suppliers and mines operating in these areas are classified as High-Risk suppliers if they are confirmed to be providing us with minerals.

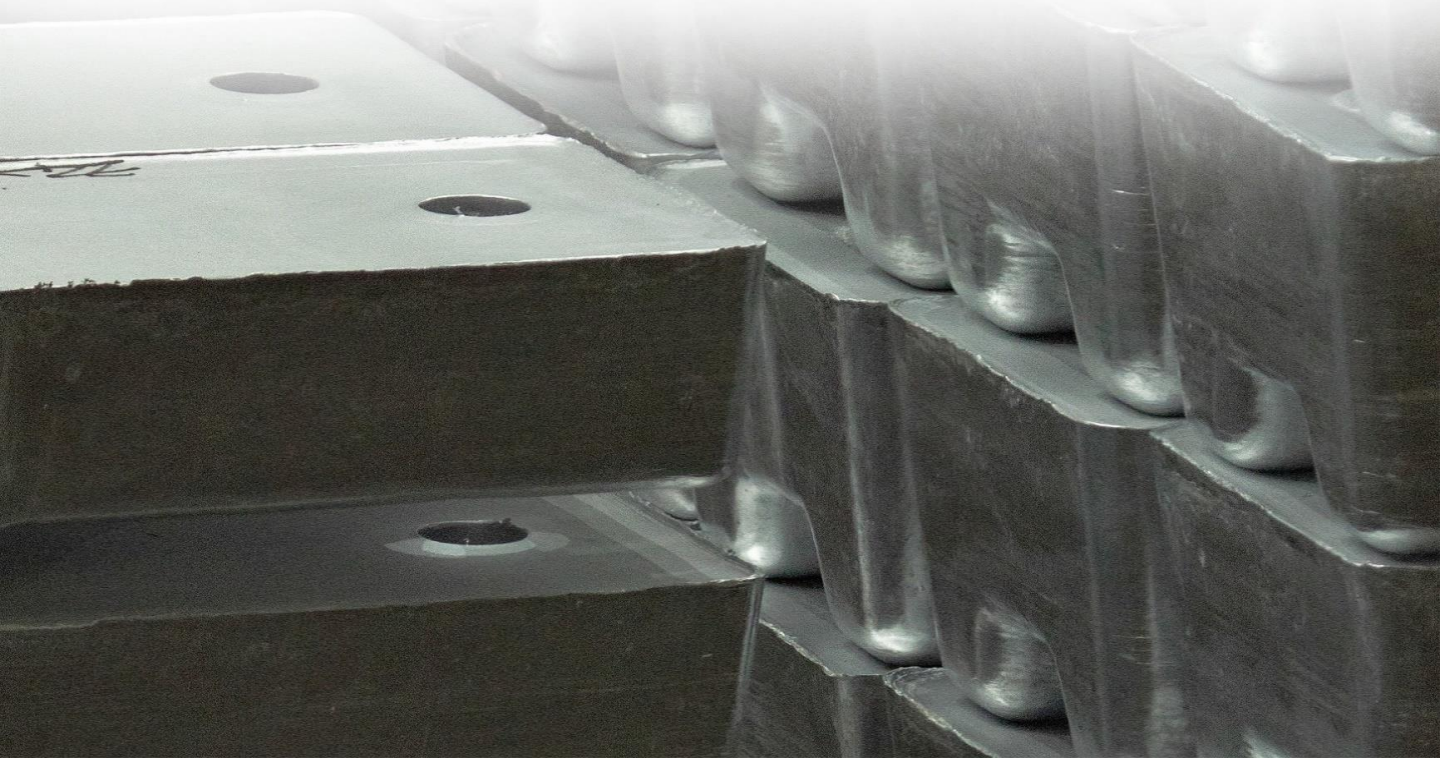
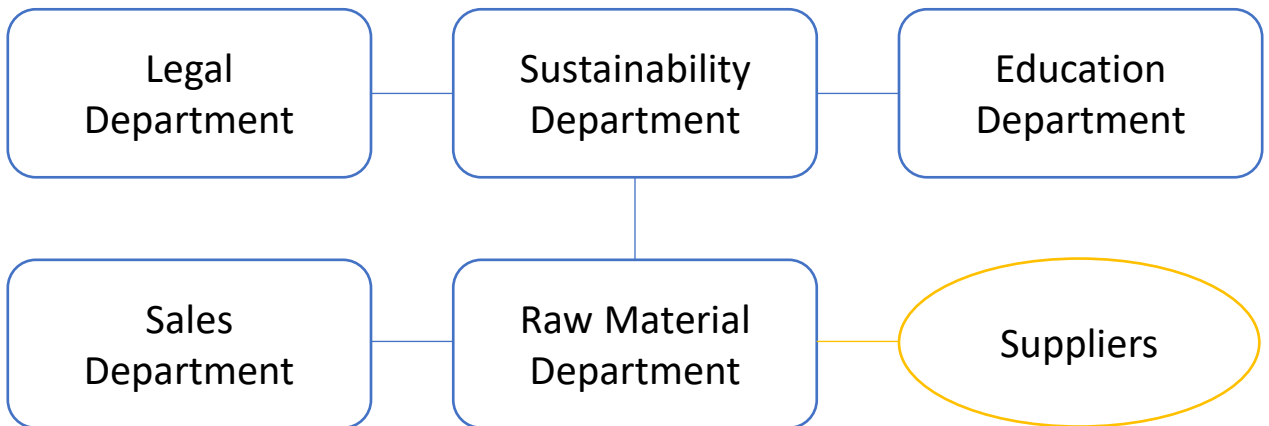
[List of CAHRAs]

Risk Level	Country
CAHRAs High (10 countries)	Angola, Burundi, Central African Republic, the Republic of the Congo, Democratic Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, Zambia
CAHRAs Low (22 countries)	Afghanistan, Burkina Faso, Cameroon, Colombia, Eritrea, Ethiopia, India, Libya, Mali, Mozambique, Myanmar, Niger, Nigeria, Pakistan, Philippines, Somalia, Sudan, Türkiye, Ukraine, Venezuela, Yemen, Zimbabwe

Young Poong Corporation,

under the supervision of the Sustainability Department, formulates and manages its Responsible & Conflict Mineral Policy. Additionally, it mitigates risks in the procurement of raw materials within the business units by developing strategies related to responsible minerals.

[Management Organization]



Step 1. Establishment of a company management system

Internal Training

Young Poong Corporation promotes awareness of the responsible minerals program within the company through communication channels including targeted communications to specific employee groups from our supply chain management.

Supplier Engagement

We require suppliers to comply with Responsible Sourcing Policy and request not to supply from mines within the covered countries categorized High-Risk area.

Step 2. Data collection

Questionnaire or consent

We collect information from suppliers using own Survey Template to verify compliance. This verification process includes checking origin, logistic flow, risk presence in the supply chain and the supplier's responsible mineral policy.

Grievance Process

The grievance process has been established to listen opinions from suppliers at all time. Stakeholders can communicate their grievances to us through e-mail and/or web site.

<https://www.ypzinc.co.kr/en/webqna/insertQnaIntro.do>

Step 3. Identify and evaluate risks

We evaluate the potential risks of its suppliers based on the provided information and CAHRAs standards. This comprehensive evaluation process includes factors such as CAHRAs relevance, SAQ response rate, intentional submission of false information and lack of awareness of responsible minerals. CAHRAs High suppliers are managed according to our risk mechanism.

Step 4. Mitigation and Improvement

For identified CAHRAs High suppliers, we request a supplier's investigation report confirming that minerals have been produced by fulfilling social responsibility. If a High-Risk supplier repeatedly encounters problems and no improvement is made, we recommend and requests to the supplier to proceed a third-party due diligence program. Suppliers operating in CAHRAs High area should be qualified on responsibility to make contracts with Young Poong Corporation. As to CAHRAs Low countries, we are continuously monitoring the status whether any of them is moved to High-Risk area.

Step 5. Strengthen stakeholder communication

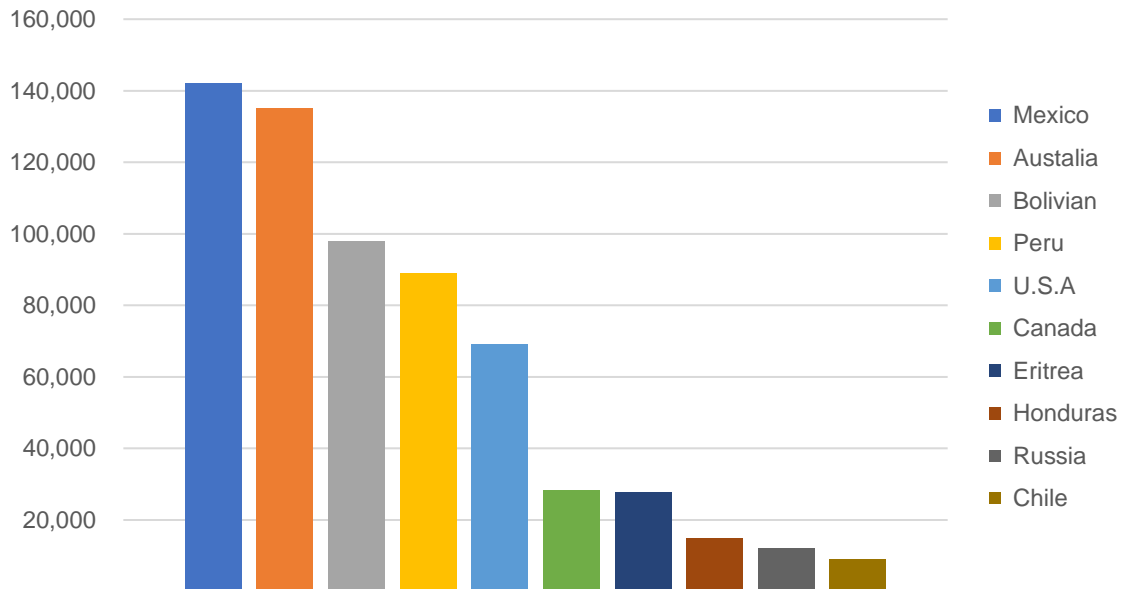
To communicate with partners, executives and employees, we publish “Responsible Minerals Report” to disclose the results of all activities undertaken since the establishment of its responsible minerals policy.

To verify the risk,

raw materials are recorded base on their origin.

1 Raw Material Import Data

We imported 625,000 tons of Zinc Concentrate as raw materials in 2023 and the countries of origin are as below.



2 Conflict Minerals and CAHRAs

Origin of Zinc Concentrate shows the raw materials supplied from various countries except CAHRAs High in 2023. Material from Eritrea which falls in CAHRAs Low, we will monitor the status of the country in CAHRAs list and if it moves to High-Risk, we will take a required action to qualify its social responsibility.

We have no record of purchasing 3TG minerals such as Tantalum, Tin, Tungsten and Gold which is not on our products list.

Young Poong Corporation

voluntarily establish and manage a supply chain for responsible minerals as well as conflict minerals because the raw materials supplied from mines around the world.

We continue to communicate with our partners, demand responsible corporate management and monitor the possibility of supply from High-Risk areas through our own system.

The reporting system is introduced as a self-help measure so that anyone can freely suggest and report opinions on this issue. Young Poong Corporation prepared the first report this year for 2023. To share the management philosophy, Responsible Mineral Sourcing Report will be issued annually. It will be published to our partners & the public and being used for employee training.



Young Poong Sukpo Smelter
Zero Liquid Discharge System