
Young Poong Supply Chain ESG Management Policy

Young Poong Corporation

1. Purpose

This policy is established to build a sustainable corporate ecosystem in which Young Poong and its partners foster mutual trust, establish fair trade practices, and develop a sustainable supply chain, thereby promoting coexistence and mutual growth with stakeholders.

This policy has been developed with reference to 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.

2. Scope of Application

This policy applies to Young Poong's partners and their subcontractors (hereinafter referred to as "partners") who supply products and services (including general services) to Young Poong. Young Poong also encourages its partners to comply with this policy or a policy of similar standards.

Furthermore, partners involved in indirect transactions that may pose potential or actual ESG risks within Young Poong's supply chain are likewise encouraged to adhere to this guideline.

3. Basic Principles

Young Poong establishes a dedicated organization to implement this policy, and the relevant teams continuously monitor supply chain management policies and processes. To achieve the goal of building a sustainable supply chain, Young Poong requires its partners to respect the human rights of their employees, maintain a safe working environment, and operate their businesses ethically with environmental responsibility. For this purpose, Young Poong has established the "Young Poong Partner Code of Conduct," and requires partners to comply with it.

The company may revise this Code in line with policy developments, providing advance notice of any changes. To evaluate compliance, Young Poong may visit partner facilities and recommend improvements. Partners are expected to develop and implement plans to mitigate risks based on consultations regarding improvement measures.

- ① Young Poong's principle is to transact with partners who comply with the Young Poong Partner Code of Conduct.
- ② Young Poong identifies ESG issues within the supply chain through ongoing due diligence and establishes action plans to prevent and mitigate supply chain risks.
- ③ Young Poong reviews and improves supply chain ESG risks in accordance with the supply chain ESG management process.
- ④ Young Poong endeavors to enhance supply chain ESG capabilities through collaboration with partners.
- ⑤ Young Poong strives to educate its internal employees and partners on key ESG topics and improved supply chain management processes to strengthen ESG risk management capabilities.

4. Implementation Measures

Article1. Compliance Assessment of the Partner Code of Conduct

- ① The Young Poong Partner Code of Conduct sets out the ESG-related requirements that partners are fundamentally expected to comply with in order to ensure the sustainability of the supply chain.
- ② The Young Poong Partner Code of Conduct is composed of seven areas: labor and human rights, health and safety, environment, ethics and fair trade, management systems, mutual growth and social contribution, and quality management.
- ③ Young Poong verifies whether new partners agree to the Young Poong Partner Code of Conduct at the time of registration.
- ④ Young Poong verifies partners' agreement to the Young Poong Partner Code of Conduct through supply chain ESG due diligence conducted on its trading partners.

Article2. Supply Chain ESG Management Process

Young Poong carries out supply chain ESG management activities that include performance evaluation, follow-up management, and ongoing monitoring and improvement of risks.

- ① We establish a supply chain risk management and monitoring system to identify risks that may hinder sustainability in the supply chain due to partners' failure to comply with the basic principles of this policy and to minimize negative impacts.
- ② When we selecting partners, it must be verified whether they comply with the Partner Code of Conduct

outlined in this policy.

- ③ If, during the supply chain risk management process, it is determined that there is a need to identify and mitigate adverse impacts on human rights, the environment, or product safety, supply chain due diligence may be conducted within the scope permitted by law.
- ④ Supply chain due diligence include the identification and assessment of actual or potential adverse impacts in the supply chain, development and implementation of action plans to prevent, mitigate, or remediate such impacts, communication with stakeholders regarding the due diligence process and outcomes, and procedures through which stakeholders can raise grievances.
- ⑤ The scope of the supply chain subject to due diligence may be independently determined by Young Poong based on its relevance and impact. Through supply chain risk management and due diligence, the level of implementation of this policy by partners shall be assessed. Based on the results, partners may be required to establish and implement plans to improve and mitigate adverse impacts caused by their business activities.
- ⑥ If, despite these requirements, a partner fails to make sufficient efforts to improve supply chain risks and it is determined that the risk of adverse impacts cannot be mitigated, Young Poong may suspend its business relationship with the partner.

5. Grievance Mechanism

Young Poong operates a grievance mechanism that allows stakeholders within the supply chain to report concerns when their individual rights or interests are infringed, or when adverse impacts are anticipated in relation to laws and regulations or this policy in areas such as ethics, environment, labor/human rights, and health and safety.

Stakeholders can report misconduct and related issues through the “Grievance Platform” communication channel available on the company website (<https://www.ypzinc.co.kr/>), and ESG-related inquiries can be submitted via the sustainable management email channel (esg@ypzinc.co.kr).

Young Poong guarantees the confidentiality and protection of whistleblowers' identities and ensures their safety. No disadvantageous measures will be taken against whistleblowers as a result of their reports.

6. Supplementary Provisions

This supply chain ESG management policy will take effect on June 17, 2025.