



# EVERYDAY EVERYWHERE

# About This Report



## About This Report

## CEO Message

## ESG Highlights

## Company Overview

## Progress on Sustainability

## Appendix

### Report Overview

With its second Sustainability Report, EcoPro BM communicates with its stakeholders about the company's activities and achievements in creating economic, environmental, and social value. With this Report, the company aims to align its growth strategy with its ESG management strategy and disclose its plans and activities in line with the UN Sustainable Development Goals (SDGs). This Report reflects EcoPro BM's commitment to shared growth with the community and sustainable business operations.

### Reporting Period

This Report outlines the company's performance and achievements from January 1 to December 31, 2023, using both financial and non-financial indicators from qualitative and quantitative perspectives. To enhance stakeholder understanding of key issues, we have included data available up to the publication of this Report. For quantitative accomplishments, we provide a three-year overview of performance data related to environmental, social, and governance aspects, offering a comprehensive view of our past achievements.

### Scope of the Report

The scope of this Report encompasses the economic achievements of all domestic and overseas operations of EcoPro BM and its subsidiary, EcoPro EM. For social and environmental achievements, we focused on the domestic operations of EcoPro BM and EcoPro EM, considering their size, the nature of their business, and their impact. Additionally, this Report includes the performance results of select EcoPro group companies.

### Reporting Guidelines

This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, an internationally recognized guideline for sustainable management. The financial information is based on consolidated financial statements, following the reporting standards and definitions of the Korean International Financial Reporting Standards (K-IFRS). Any financial or non-financial information aggregated under standards uniquely established by EcoPro BM is annotated accordingly.

### Independent Assurance

To ensure the reliability of the data and prevent the possibility of ESG washing, this Report has undergone an assurance engagement by Samil PwC, a third-party independent assurance service provider in accordance with the International Standard on Assurance Engagements (ISAE) 3000. Its third-party assurance statement is documented on pages 91.

### Contact

This Report is available for download from the EcoPro BM website (<https://ecoprobm.co.kr/>). For questions and inquiries, please contact us via the following:

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# Contents



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

## About This Report

## CEO Message

## ESG Highlights

## Company Overview

EcoPro BM Profile

Business Value Chain

Our Sustainability

7

8

11

13

## Progress on Sustainability

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

Customers

Communities

Governance

20

21

28

39

42

47

53

59

65

## Appendix

Economic Performance

ESG Data

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

73

74

75

84

88

89

90

91

92

96

# CEO Message



About This Report

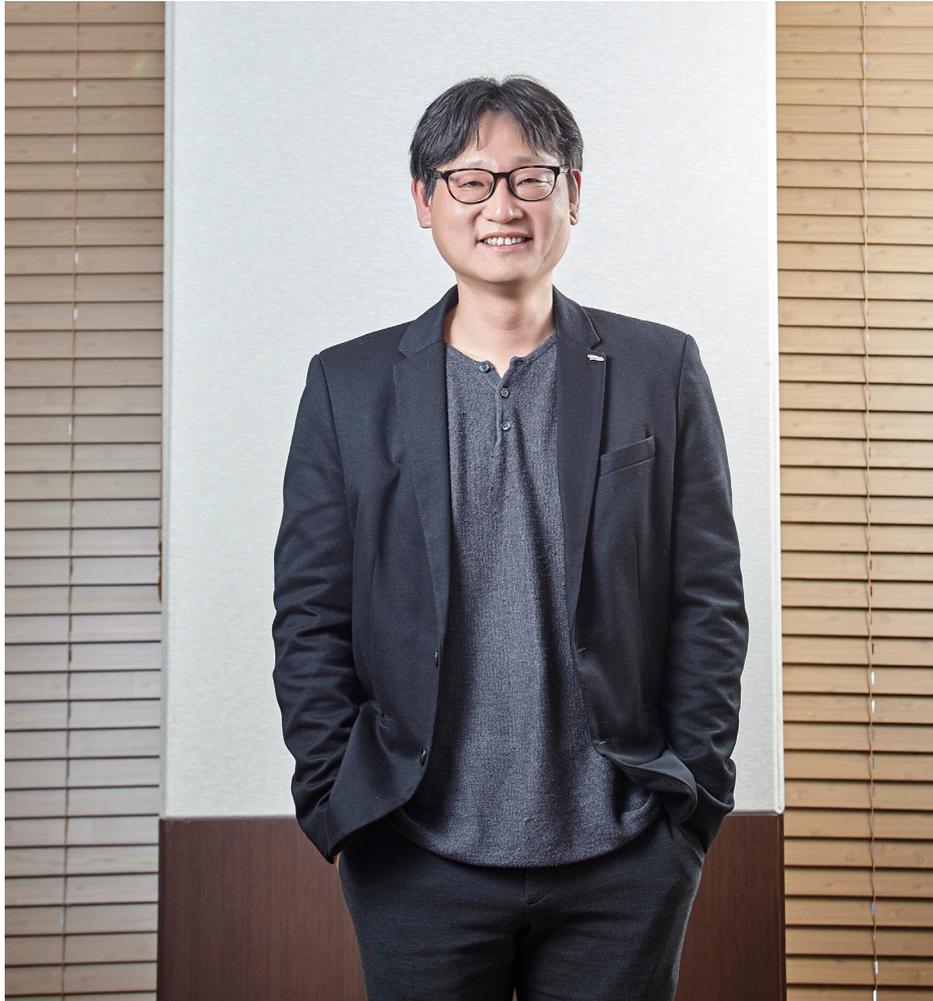
**CEO Message**

ESG Highlights

Company Overview

Progress on Sustainability

Appendix



Dear Stakeholders,

The domestic and international secondary battery industry is currently encountering significant challenges. Environmental and social crises, including climate change, geopolitical instability, and safety concerns, are becoming increasingly pressing. In this context, we are committed to achieving environmental, social and governance (ESG) management by strengthening our core competencies and engaging in proactive communication with our stakeholders.

ESG management is a fundamental component of modern business practice. Environmental stewardship, social responsibility, and transparent governance are essential for securing corporate sustainability. EcoPro BM is dedicated to building a better future guided by the following ESG management principles.

**First, we are committed to actively addressing climate change.**

We will achieve carbon neutrality by 2050 through the reduction of carbon emissions by adopting eco-friendly technologies and utilizing recycled materials. In addition, we will lead environmental protection efforts by harnessing sustainable energy sources and pioneering innovative technologies that minimize harm to both people and the environment.

# CEO Message



About This Report

**CEO Message**

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

## Second, we will establish a responsible supply chain.

We are committed to ethical and sustainable sourcing, collaborating closely with our suppliers to ensure transparent and fair trade practices. To promote sustainability and social responsibility across our supply chain, we will conduct regular assessments and audits, publicly disclosing the results to enhance transparency.

## Third, we will implement thorough risk management.

We are committed to maintaining business stability by proactively identifying and systematically managing not only financial risks but also the effects of non-financial risks on our financial performance. This approach ensures that we are equipped to respond swiftly to unforeseen circumstances. In addition, we will enhance education and training programs to strengthen our employees' risk management capabilities.

## Fourth, we will respond proactively to international regulations.

As we expand our global presence, we are enhancing our competitiveness in the international market by closely monitoring regulatory changes in every country where we operate, aiming to achieve sustainable growth all across the globe. We will develop strategic approaches to comply with overseas regulations and foster collaboration among relevant departments to ensure a prompt and effective response.

## Fifth, we will make substantial investments in research and development.

We aim to elevate the quality of our products through innovative research and creative solutions that address the needs of our customers. We will also collaborate with a range of experts during the R&D process, leveraging cutting-edge technologies and advanced materials to achieve optimal outcomes swiftly. These efforts will strengthen our competitiveness in the global market.

Through our continued commitment to ESG management, we will uphold our corporate social responsibility and work towards creating a better future. We appreciate the ongoing interest and support of our stakeholders.

Thank you.

October 2024

Choi Moon-ho

CEO

EcoPro BM

# ESG Highlights



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

## Environment



Established the **Compliance Commitment Letter** targets based on SBTi



Obtained the **Carbon Footprint Certification** for 2 products  
Estimated **Scope 3** emissions



Awarded ECA<sup>1)</sup> policy funds worth **KRW 1.2 trillion**

1) ECA: Guarantees and insurance to support overseas expansion provided by a public export credit agency

## Social



Established the **Human Rights Management Charter**

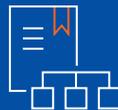


Established the **Supplier Code of Conduct**



Invested **KRW 3.88 billion** in health and safety

## Governance



Established the **Corporate Governance Charter**



Strengthened board expertise with the **BSM<sup>2)</sup>**

2) BSM: Board Skills Matrix



**All employees** signed the Compliance Commitment Letter

# Company Overview

EcoPro BM Profile	8
Business Value Chain	11
Our Sustainability	13

# About EcoPro BM

EcoPro BM is a specialist in the production and development of cathode materials that are key to secondary batteries. In particular, we are leading the domestic and global high-capacity cathode materials market by becoming the first to develop and mass-produce high-nickel cathode materials. Now we are witnessing surging demand for lithium-ion secondary batteries for EVs, ESS, UPS, smart grids, aerospace, and medical applications. EcoPro BM is growing into a powerhouse in next-generation battery core materials, enhancing the competitiveness of Korea's secondary battery industry and building an ecosystem for all relevant industries.

\* EV (Electric Vehicle), ESS (Energy Storage System), UPS (Uninterruptible Power Supply)

## Company Overview

EcoPro BM specializes in the manufacturing and sale of cathode materials, one of the four essential components of secondary batteries. As the only company in Korea to achieve the breakthrough of simultaneously producing both NCA (Nickel Cobalt Aluminum) and NCM (Nickel Cobalt Manganese) cathode active materials, we stand at the forefront of innovation. Our core products include high-nickel NCA and NCM cathode active materials, with nickel content exceeding 80%. To effectively address the evolving demands of the downstream market and the rapidly changing landscape of the EV market, we are actively engaging in forward-thinking management initiatives. These include expanding our production capacity both domestically and internationally, reducing investment costs per unit, and developing cutting-edge technologies. EcoPro BM is committed to enhancing quality of life and convenience by advancing new energy and environmental improvement technologies in collaboration with our group companies. We will continue to strengthen our existing business sectors while exploring new areas through open-mindedness and creative innovation.

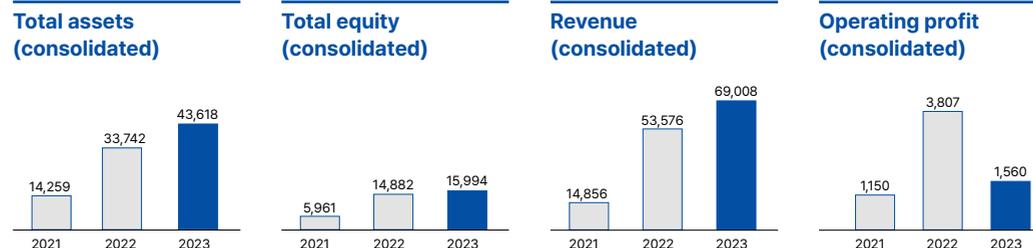
## EcoPro BM

(As of the end of December 2023)

Company name	EcoPro BM Co., Ltd.	Revenue (consolidated)	KRW 6 trillion and 900.8 billion
Establishment	May 1, 2016	Total equity (consolidated)	KRW 1 trillion and 599.4 billion
CEOs	Joo Jae-hwan and Choi Moon-ho	Head office	100 2 Sandan-ro, Ochang-eup, Cheongwon-gu, Cheongju-si, Chungcheongbuk-do, Korea.
Number of employees	1,436	Key subsidiary	EcoPro EM Co., Ltd.

## Key Financial Performance

(Unit: KRW hundred million)



## Business Overview

EcoPro BM is at the forefront of the electric vehicle battery market, focusing on the development and production of a wide range of battery materials, with an emphasis on high-nickel cathode materials. In partnership with other EcoPro Group companies, we have established an integrated development and production system, spanning from metals to cathode materials. This collaboration, along with over a decade of expertise in mass production technology and the development of original source technologies, has enabled us to secure a global competitive edge in both quality and cost. Recently, we have successfully commercialized CSG (High-end NCM), a next-generation cathode material. In addition, we have diversified our product lineup, including Mid Nickel, LFP (Lithium Iron Phosphate), and Sodium-ion batteries, to meet evolving customer needs and further strengthen our market leadership. We are committed to driving the next generation battery technology through continuous research and development.

## Key Products

Secondary batteries can be charged and discharged multiple times, with lithium-ion batteries being the most widely used type. These batteries are composed of four key components: cathode material, anode material, electrolyte, and separator. At EcoPro BM, our research focuses on the development of cathode materials, which represent the highest portion of the overall cost, as well as anode materials and solid electrolytes.

- NCA**
- Commercialized the first high-nickel NCA cathode material in Korea (2008)
  - Leader in the small battery market for power tools with high power and high energy density
  - High-power, high-capacity cathode materials with 90+% Ni content and single crystals

- NCM**
- Commercialized the world's first CSG product\* for electric vehicles (2016)
  - Maximized cost-effectiveness and productivity while maintaining high energy density and reliability

- NCMX**
- Higher thermal stability and lower resistance than NCM for high-end electric vehicles
  - High-performance NCMX combining the advantages of NCA (high energy) + NCM (long life)
  - Satisfying customer needs by applying various doping and coating techniques

\* CSG: Core Shell Gradient. CSG products feature concentration gradient between the core and shell for improved stability.



About This Report

CEO Message

ESG Highlights

Company Overview

EcoPro BM Profile

Business Value Chain  
Our Sustainability

Progress on Sustainability

Appendix

# Mission and Management Philosophy

## Mission

**We strive to improve the quality of people's lives and deliver convenience by**

introducing new energy and environmental improvement technologies.

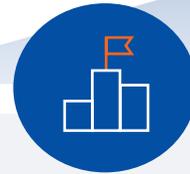
## Vision/slogan

Everyday Everywhere

## Management philosophy

We strive to be the best in our field, driving changes and innovation forward consistently.

## Behavioral standard



### Challenge-taking

We challenge ourselves to do new things.

- We strive to avoid comfort and set ambitious goals.
- We develop ourselves actively to become the best in our field.



### Trust

We build trust with many stakeholders.

- We hold our employees, customers, shareholders, and the local community in high regard, showing them respect and consideration.
- We trust each other and cooperate as colleagues with a shared sense of destiny.



### Change and innovation

We pursue ceaseless change and innovation.

- We strive to develop new markets.
- We continue developing new technologies, products, and ideas.



About This Report

CEO Message

ESG Highlights

Company Overview

EcoPro BM Profile

Business Value Chain  
Our Sustainability

Progress on Sustainability

Appendix

# History



About This Report

CEO Message

ESG Highlights

Company Overview

EcoPro BM Profile ■

Business Value Chain  
Our Sustainability

Progress on Sustainability

Appendix



- 1998** • Foundation (EcoPro Co., Ltd.)
- 2004** • Participated in the consortium for the government-funded cathode material development project for ultra-high capacity secondary batteries
- 2006** • NCA cathode active material technology transfer (Cheil Industries)
- 2008** • Completed the construction of Cathode Materials Plant 1 (Ochang)
- 2009** • Completed the construction of Cathode Materials Plant 2 (Ochang)
- 2012** • Won the 2012 R&D 100 Awards in the U.S. for EV cathode material CSG

- 2015** • Completed the construction of Cathode Materials Plant 3 (Ochang)
- 2016** • Founded EcoPro BM (May 1)
- 2017** • Won 2017 IR52 Jang Young-shil Award (High-Nickel Cathode Materials)  
• Won World Class 300 Award  
• Completed the construction of Cathode Materials Plant 4; relocated the head office (Ochang)
- 2018** • Completed the construction of Cathode Materials Plant 4N (Ochang)
- 2019** • Completed the construction of Cathode Materials Plant 5 (Pohang)  
• Listed on KOSDAQ

- 2020** • Founded EcoPro EM as a subsidiary (joint venture with Samsung SDI)
- 2021** • Completed the construction of EcoPro EM Cathode Materials Plant 6 (Pohang)  
• Designated as a Best Materials, Parts and Equipment Company by the Ministry of Trade, Industry and Energy
- 2022** • EcoPro BM won the One Billion Dollar Export Tower on the 59th Export Day (Korea International Trade Association)  
• Completed the construction of EcoPro EM Cathode Materials Plant 7 (Pohang)
- 2023** • EcoPro BM commenced the construction of a plant in Canada in cooperation with SK On and Ford  
• Signed a MOU to make large-scale investment in Pohang Blue Valley National Industrial Complex of Gyeongbuk region  
• Won the LFP battery development project funding from the Ministry of Trade, Industry and Energy  
• Commenced the construction of a cathode materials plant in Hungary  
• Founded EcoPro CAM Canada LP



About This Report

CEO Message

ESG Highlights

Company Overview

EcoPro BM Profile

**Business Value Chain**

Our Sustainability

Progress on Sustainability

Appendix

## Value Integration

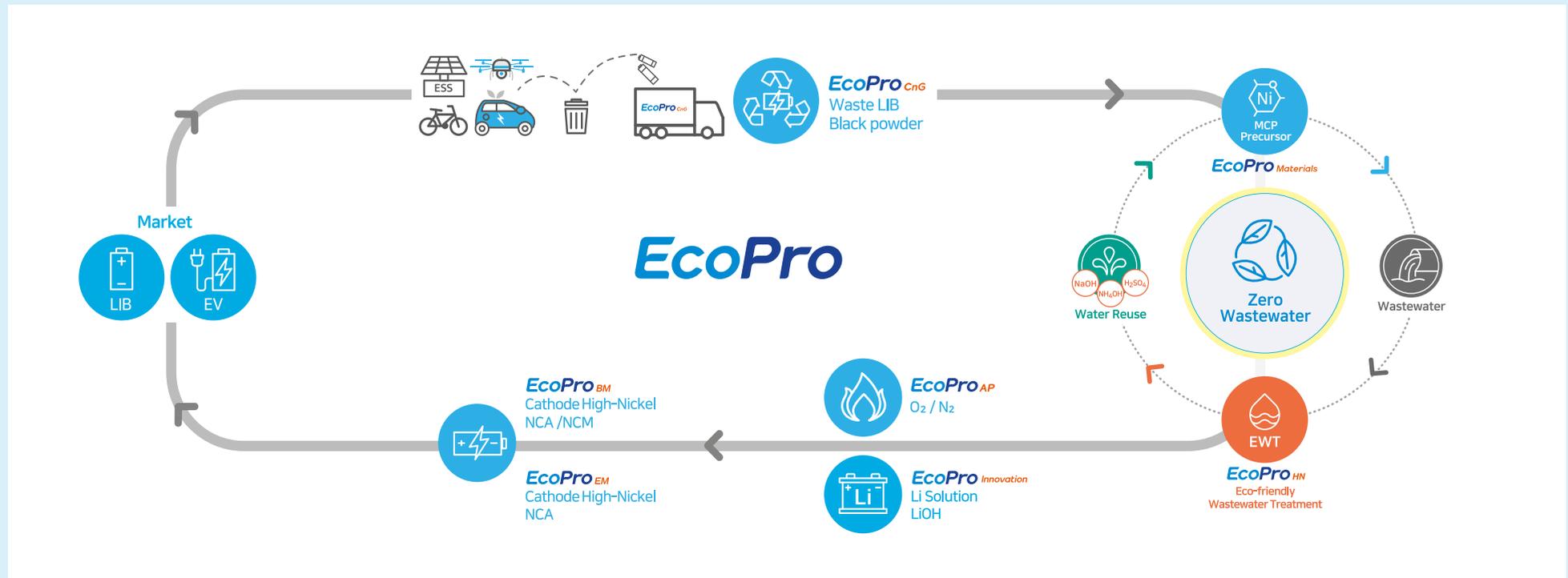
# EcoPro Group's Secondary Battery Ecosystem Strategy

## Eco-friendly Closed Loop System

### Eco-friendly Closed Loop System

EcoPro is the sole provider of Korea's one and only battery cathode materials value chain, the closed-loop ecosystem. EcoPro Innovation, EcoPro Materials, and EcoPro AP supply lithium hydroxide, precursors, and high-purity oxygen and nitrogen, respectively, to EcoPro EM and EcoPro BM for cathode production. Subsequently, the cathodes are delivered to cell manufacturers for battery production. EcoPro CnG collects used batteries and recycles materials such as lithium, nickel, and cobalt, supplying them back to EcoPro Group companies, thus closing the loop.

EcoPro HN, a leading provider of comprehensive eco-friendly solutions, has recently joined Korea's only closed-loop ecosystem for battery cathode materials, proudly presented by EcoPro. The closed-loop system highlights eco-friendly benefits by minimizing pollutants such as wastewater through the development of eco-friendly processes such as the EWT technique. EcoPro is committed to advancing its recycling technology with the aim of indefinitely circulating water used in the loop, thereby achieving zero wastewater. EcoPro's energy business is bolstered by its eco-friendly dedication, which presents a vision for the future generations and the planet we live on.





About This Report

CEO Message

ESG Highlights

Company Overview

EcoPro BM Profile  
**Business Value Chain** ■  
Our Sustainability

Progress on Sustainability

Appendix

Value Integration

# Eco Battery Pohang Campus at a Glance

EcoPro established the Eco Battery Pohang Campus, a comprehensive ecosystem for battery cathode materials, on a 500,000 m<sup>2</sup> site at the Pohang Yeongilman Industrial Complex. The campus development began in 2017 starting with EcoPro Materials and was completed in October 2022 with the addition of EcoPro Innovation and EcoPro AP. EcoPro aims to enhance synergies among Group companies through continued expansion.





About This Report

CEO Message

ESG Highlights

**Company Overview**

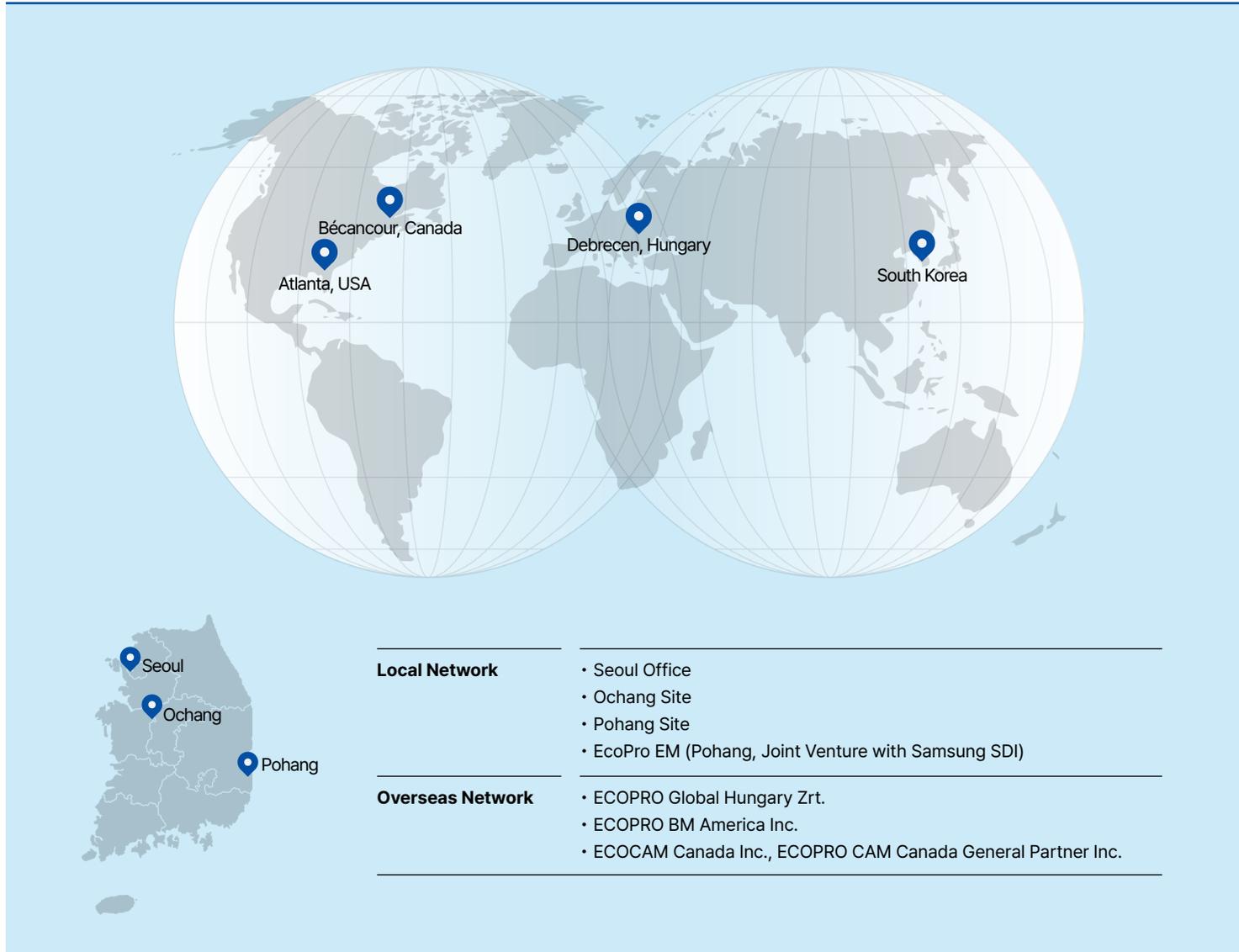
EcoPro BM Profile

**Business Value Chain** ■

Our Sustainability

Progress on Sustainability

Appendix



EcoPro BM Ochang Site



EcoPro BM Pohang Site



Bird's eye view of the Cathode Materials Plant in Hungary



Bird's eye view of the Cathode Materials Plant in Canada

# Mid- to Long-Term ESG Management Goals and Roadmap

EcoPro BM, in collaboration with other EcoPro Group companies, is actively working toward achieving mid- and long-term ESG management goals. In 2023, EcoPro Group redefined both its short-term, three-year goals and long-term objectives, extending to 2050, with a focus on four critical areas closely aligned with its business environment: human rights, carbon, supply chain, and risk. In addition, other major ESG issues are addressed through the development of strategic plans, detailed implementation tasks, and key performance indicators (KPIs) to ensure effective management and accountability across all areas.

## ESG Goals and Activities

Category	Short-term			Mid-term	Long-term
	By 2024	By 2025	By 2026	By 2035	By 2050
<b>Human rights</b> 	<ul style="list-style-type: none"> <li>• <b>Introduce a human rights management system</b> <ul style="list-style-type: none"> <li>- Establish the Human Rights Declaration and make it public</li> <li>- Promote human rights management programs (grievance handling, whistleblowing, etc.)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Solidify the human rights management system</b> <ul style="list-style-type: none"> <li>- Strengthen human rights education.</li> <li>- Conduct human rights impact assessment and identify tasks</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Fully establish the human rights management system</b> <ul style="list-style-type: none"> <li>- Practice human rights management and make disclosure</li> <li>- Expand the scope of human rights risk management (prevention and monitoring)</li> </ul> </li> </ul>		
<b>Carbon</b> 	<ul style="list-style-type: none"> <li>• <b>Analyze operation/product-specific carbon emissions</b></li> <li>• <b>Survey supply chain carbon emissions</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Develop carbon reduction action plans</b></li> <li>• <b>Assign supply chain carbon targets</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Automatically calculate emissions</b> (in connection with ERP/MES)</li> <li>• <b>Monitor supply chain carbon emissions</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Reduce carbon emissions by 55%</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Achieve carbon neutrality</b></li> </ul>
<b>Supply chain</b> 	<ul style="list-style-type: none"> <li>• <b>Advance the responsible minerals system</b> (identify tasks and revise policies)</li> <li>• <b>Conduct supply chain ESG assessments</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Pursue RMI certification for all Group companies</b></li> <li>• <b>Publish supply chain due diligence reports</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Obtain RMI certification for all Group companies</b></li> <li>• <b>Advance the supply chain system</b> (transparency, traceability)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Require all business partners to obtain RMI/IRMA certification</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Ensure supply chain transparency</b></li> </ul>
<b>Risk</b> 	<ul style="list-style-type: none"> <li>• <b>Review the risk management system</b> <ul style="list-style-type: none"> <li>- Organize a risk management committee</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Advance the risk management system</b> <ul style="list-style-type: none"> <li>- Revamp the monitoring system</li> <li>- Expand the monitoring department</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Tighten the risk management system</b> <ul style="list-style-type: none"> <li>- Introduce monitoring to all departments</li> </ul> </li> </ul>		



About This Report

CEO Message

ESG Highlights

Company Overview

EcoPro BM Profile  
Business Value Chain  
**Our Sustainability**

Progress on Sustainability

Appendix

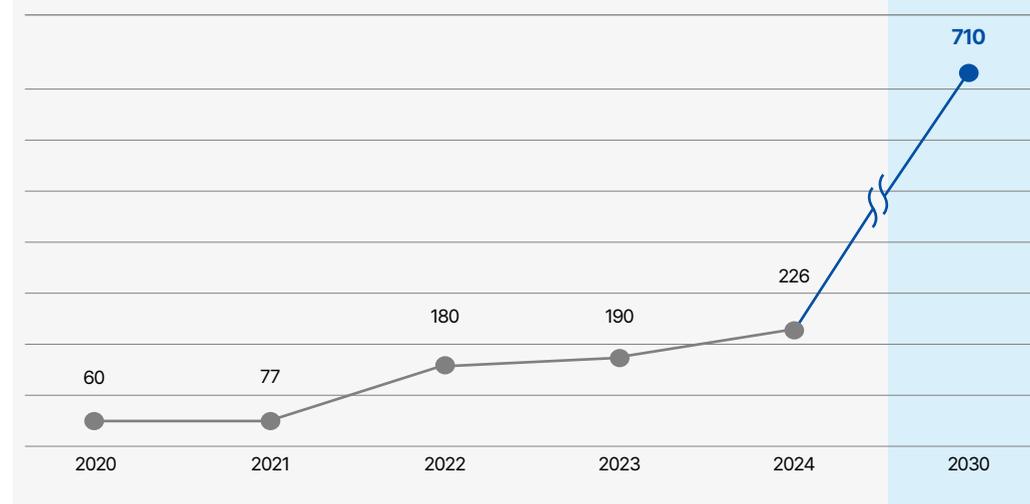
# 5 Key Strategies

EcoPro BM has established five key strategies to consolidate its position as the leader in the global cathode materials market and take the initiative in the secondary battery market.

## EcoPro BM's Strategies

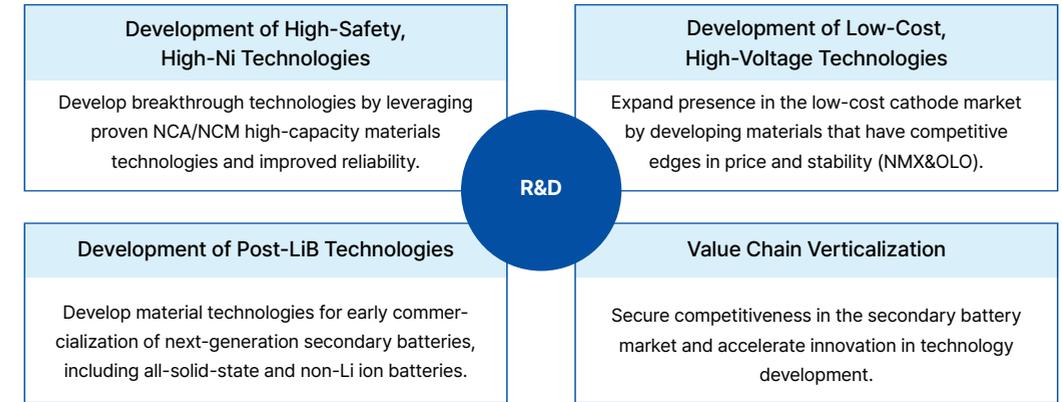
- Strengthen Partnerships**
  - Pursue robust partnership to ensure stable supply of raw materials and take the lead in the secondary battery market
- Maximize synergies among group companies**
  - Internalize upstream value such as precursors and lithium
  - Promote recycling throughout the value chain
- Proactive Overseas Expansion**
  - Enter overseas markets ahead of competitors in Europe, North America, and more
  - Commence the construction of cathode materials plants in North America and Hungary
- Strengthen R&D**
  - Develop breakthrough high-nickel technologies
  - Develop new products such as High-Mn and LFP
- Achieve mid- to long-term ESG goals**
  - Climate change response and 2050 carbon neutrality
  - Sustainable supply chain

## Cathode Materials Production Capacity (Unit: thousand MT)



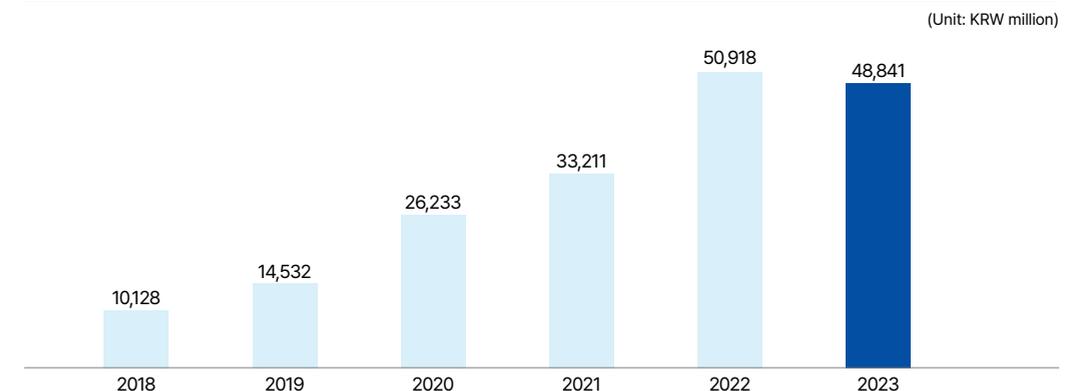
## Product and R&D Strategy

- Gain competitive advantage by developing high-capacity, high-reliability products and reducing costs to enhance price competitiveness
- Develop customer-centered products and offer customized product lineups



\*NMX (Nickel-Manganese + Additives), OLO (Lithium Overoxides)

## R&D Investment



About This Report

CEO Message

ESG Highlights

**Company Overview**

- EcoPro BM Profile
- Business Value Chain
- Our Sustainability**

Progress on Sustainability

Appendix

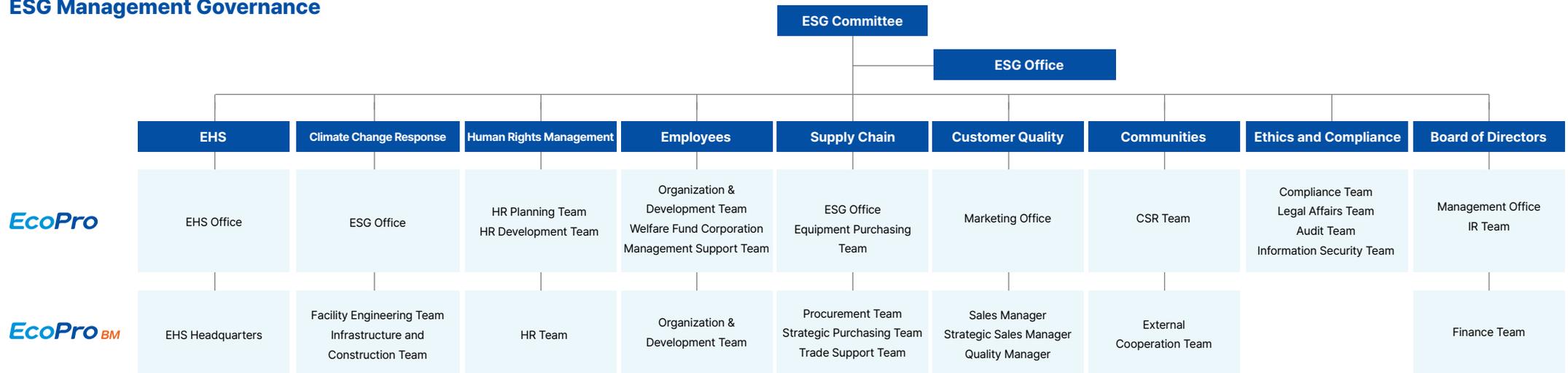
# ESG Management System

Our ESG management system involves all group companies under the initiative of EcoPro Group. We have established core goals for ESG management that guide each group company in adopting and implementing ESG practices. In addition, the ESG Committee, which operates under the holding company's Board of Directors, deliberates on and makes decisions regarding ESG management across all group companies. The ESG Office oversees the planning and execution of groupwide ESG management activities.

## ESG Management Goals

<b>Core goals</b>	2050 carbon neutrality	Global energy/environment company	Stakeholder-centered management	Transparent disclosure
<b>Directions</b>	<ul style="list-style-type: none"> <li>① Actively respond to climate change</li> <li>② Build an eco-friendly closed-loop ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>③ Become a world-class energy company</li> <li>④ Build a sustainable portfolio</li> </ul>	<ul style="list-style-type: none"> <li>⑤ Foster global talent</li> <li>⑥ Solicit stakeholders' input</li> </ul>	<ul style="list-style-type: none"> <li>⑦ Internalize world-class ESG management</li> <li>⑧ Ensure transparency in ESG disclosure</li> </ul>
<b>Roadmap</b>	<b>2023~2025</b> <b>Build the foundation for ESG management</b> <ul style="list-style-type: none"> <li>Revamp the ESG management system. -Group ESG vision and goal setting, governance, etc</li> <li>Expand the scope of ESG management reviews and disclosures</li> </ul>		<b>2026~2030</b> <b>Achieve industry-leading ESG management</b> <ul style="list-style-type: none"> <li>Tighten group companies' ESG management activities and performance management</li> <li>Establish an ESG risk management system</li> <li>Disseminate industry-leading ESG practices for each sector</li> </ul>	

## ESG Management Governance



About This Report

CEO Message

ESG Highlights

Company Overview

EcoPro BM Profile  
Business Value Chain  
**Our Sustainability**

Progress on Sustainability

Appendix

# Stakeholder Engagement and Communication

At EcoPro BM, we have identified six key stakeholder groups: shareholders and investors, customers, local communities, suppliers, governments, and employees. We use various communication channels to understand the interests and concerns of each stakeholder group and ensure that these are integrated into our overall management strategy.

## Stakeholder Communication Channels

Stakeholder	Interest	Communication channel		Our response
		Group-specific channels	Common channels	
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>Financial soundness</li> <li>Transparent governance</li> <li>Sustainable management disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Financial disclosure</li> <li>Investor relations activities</li> </ul>		<ul style="list-style-type: none"> <li>Report business performance through regular disclosures</li> <li>Develop advanced mid/long-term business strategies</li> <li>Create future value</li> <li>Establish and strengthen sustainable management strategies</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Work environment and organizational culture</li> <li>Fair performance evaluation</li> <li>Job security</li> <li>Employee benefits and work-life balance</li> <li>Workplace safety and employee health promotion</li> </ul>	<ul style="list-style-type: none"> <li>Family Council</li> <li>Occupational Health and Safety Committee</li> <li>Grievance-handling channels</li> </ul>		<ul style="list-style-type: none"> <li>Provide programs for employee capacity building</li> <li>Strengthen employee benefits and improve organizational culture</li> <li>Establish a fair performance evaluation system</li> <li>Resolve employees' grievance through the grievance-handling channel</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Product and service quality</li> <li>Privacy protection</li> <li>Streamlined communication</li> </ul>	<ul style="list-style-type: none"> <li>Face-to-face and online communication channels</li> <li>Sales and marketing activities</li> <li>Regular quality council meetings</li> </ul>	<ul style="list-style-type: none"> <li>Website</li> <li>Whistleblowing</li> <li>Ethical management violation reporting center</li> <li>Sustainability Report</li> <li>Business reports</li> </ul>	<ul style="list-style-type: none"> <li>Collect customer opinions and provide feedback</li> <li>Establish a secure privacy protection system for customers</li> <li>Conduct customer satisfaction surveys</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>Corporate social responsibility focusing on local environments and future generations</li> <li>Awareness building and job creation for people with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>Corporate social responsibility activities</li> <li>Sports team operation</li> </ul>		<ul style="list-style-type: none"> <li>Organize corporate social responsibility programs</li> <li>Run the university student volunteer group "Eco Bridge"</li> <li>Run the Onnuri Sports Team of para-athletes</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Shared growth and cooperation</li> <li>Unfair conduct and anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Tech meetings with suppliers</li> <li>On-site meetings with suppliers</li> </ul>		<ul style="list-style-type: none"> <li>Provide suppliers with technical and managerial support</li> <li>Conduct monitoring of unfair conduct and corruption</li> </ul>
<b>Governments</b>	<ul style="list-style-type: none"> <li>Legal and regulatory compliance</li> <li>Transparency in tax payment</li> </ul>	<ul style="list-style-type: none"> <li>Meetings with government agencies</li> <li>Legal system operations</li> </ul>		<ul style="list-style-type: none"> <li>Communicate with governments and relevant entities</li> <li>Establish an anti-corruption system</li> </ul>



About This Report

CEO Message

ESG Highlights

**Company Overview**

EcoPro BM Profile  
Business Value Chain  
**Our Sustainability**

Progress on Sustainability

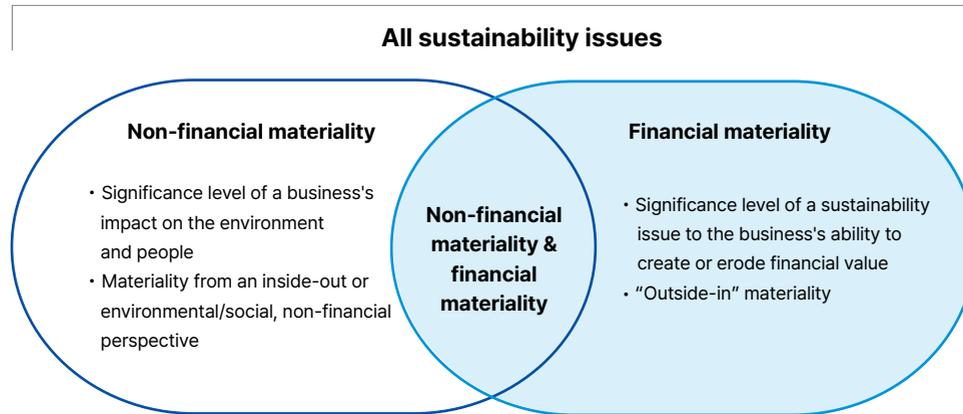
Appendix

# Double Materiality Assessment

At EcoPro BM, we conduct double materiality assessments to understand clearly the societal and stakeholder expectations concerning our business environment, as well as the positive and negative impacts of our activities. This process guides the development of our sustainable strategies. We first identified a pool of potential ESG issues through the analysis of global ESG disclosure standards, media coverage, and industry benchmarks. External ESG experts then helped us refine this list to focus on possible issues most relevant to our business. Ultimately, we identified 12 core issues, taking into account feedback from stakeholders and ESG experts, and measured their impact.

## Double Materiality Assessment

An evaluation method that identifies material issues by considering sustainability-related matters from both financial and non-financial perspectives that are affected by the organization (inside-out) or affect the organization (outside-in).



STEP 01.	<b>51 Potential Issues</b>	<ul style="list-style-type: none"> <li>• Identify issues that can be considered from a corporate and stakeholder sustainability perspective</li> <li>• Analyze external/internal ESG environments, including international standards, trends, business directions, and industry benchmarks</li> </ul>
STEP 02.	<b>36 Possible Issues</b>	<ul style="list-style-type: none"> <li>• Identify priority issues from a sustainability perspective</li> <li>• Select possible issues based on their relevance, overlaps with other issues, similarity, materiality, etc.</li> </ul>
STEP 03.	<b>12 Core Issues</b>	<ul style="list-style-type: none"> <li>• Select material issues from a sustainability perspective</li> <li>• Finalize core issue selection with surveys of employees and external stakeholders and relevance assessment</li> </ul>
STEP 04.	<b>Impact Analysis</b>	<ul style="list-style-type: none"> <li>• Conduct financial and non-financial materiality and risk assessment of core issues relevant to each stakeholder</li> <li>• Confirm materiality of the core issues through internal and external expert verification of assessment results</li> </ul>

## Double Materiality Assessment Methodology

	External environment analysis	International standards review	GRI Standards, UN SDGs, TCFD, SASB, ISO 26000, K-ESG indicators
01. 51 potential issues		ESG trend survey	ESG trend survey of global secondary battery industries and markets (corporate value chain (supply chain structure), raw materials, investment, etc.)
	Internal environment analysis	Business orientation and status	Website, responsible minerals report, business reports, and other business data analysis
02. 36 possible issues		Industry benchmarking	ESG issue survey of secondary battery materials business, cathode materials producers companies (POSCO Future M, L&F, LG Chem)
		Media analysis	1,007 articles on ESG published by 54 media outlets including daily newspapers, broadcasting networks, and magazines (January 1, 2022 – December 31, 2023)
03. 12 core issues	Relevance review	External ESG expert review	Weighting of issues identified from internal and external ESG environmental analysis based on frequency, similarity, and materiality
	Survey	Stakeholder engagement	Opinions on material issues from employees, customers, shareholders/investors, suppliers, and governments/municipalities (February 14–28, 2024)
04. Impact analysis	Relevance review	External ESG expert opinion review	External ESG experts' comments on the results of the impact analysis of stakeholder-specific core ESG issues



About This Report

CEO Message

ESG Highlights

Company Overview

EcoPro BM Profile

Business Value Chain

**Our Sustainability**

Progress on Sustainability

Appendix



About This Report

CEO Message

ESG Highlights

**Company Overview**

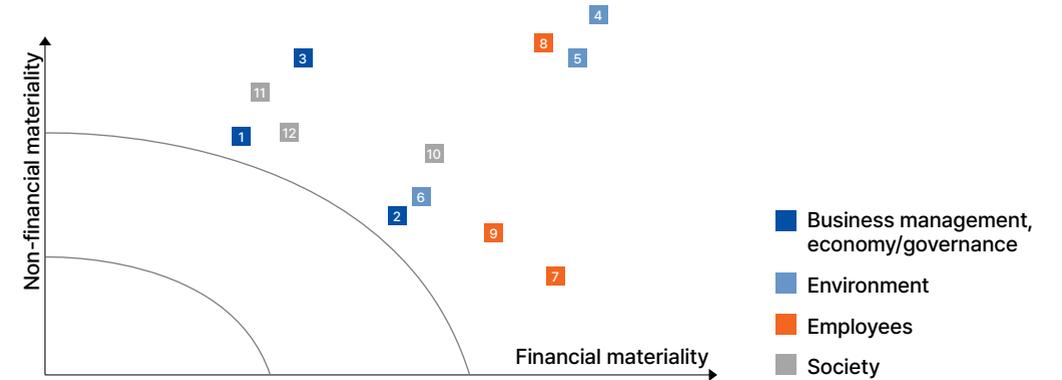
EcoPro BM Profile  
Business Value Chain  
**Our Sustainability**

Progress on Sustainability

Appendix

**Core ESG Issues**

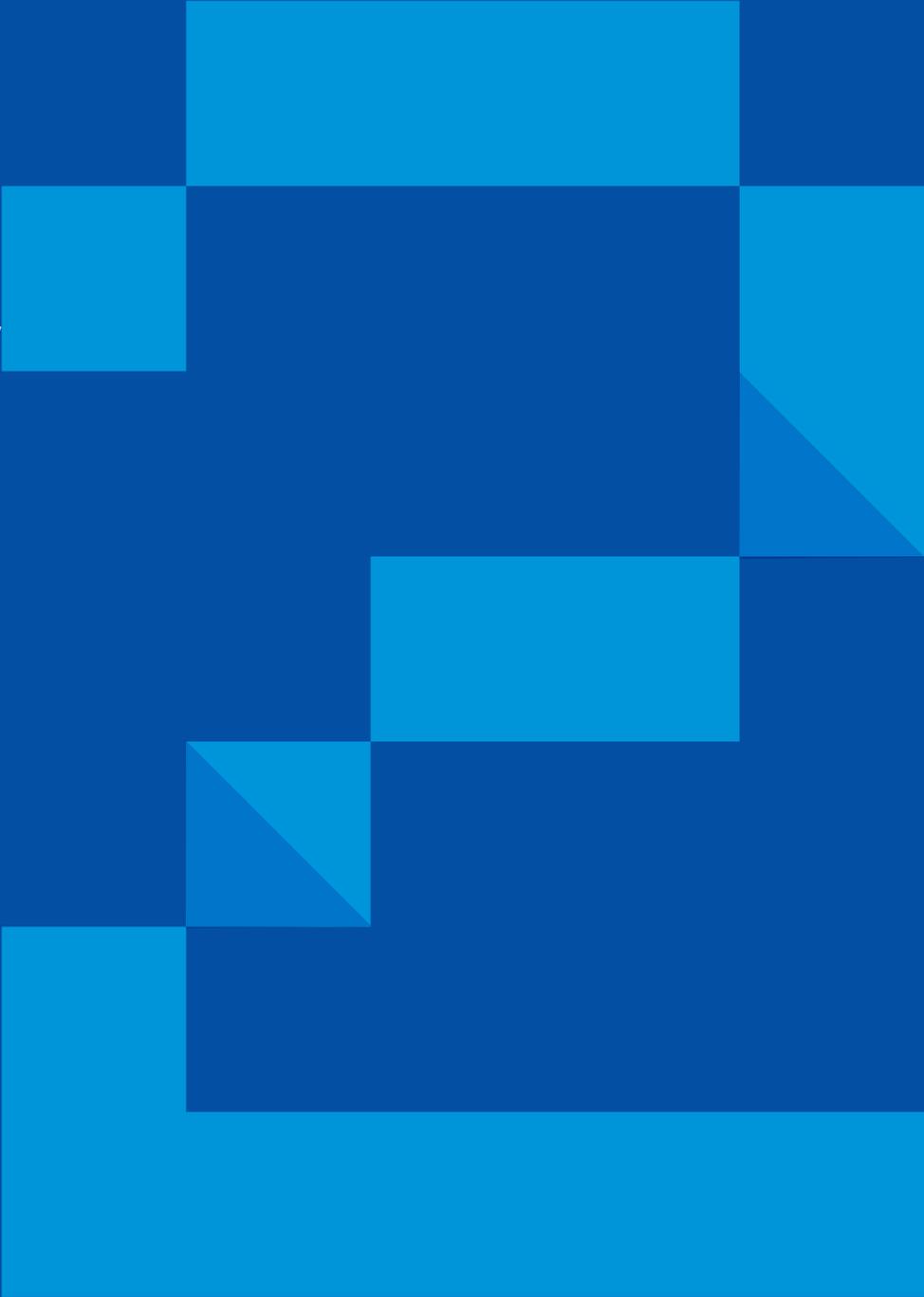
EcoPro BM identified 12 key issues from a pool of 36 possible issues through an analysis that combined stakeholder surveys and expert insights. For each of these key issues, we established mid- to long-term ESG goals and prioritized tasks by assessing both financial and non-financial impacts as well as stakeholder influence. We intend to address these 12 core issues identified through our materiality assessment by analyzing their impacts and integrating them into our company-wide ESG management system. To foster sustainable growth and share our progress, we will continue gathering insights on ESG management from both employees and external stakeholders.



Category	No.	Core ESG issue	Financial materiality	Non-financial materiality	Stakeholder-specific materiality						GRI Index	UN SDGs	Pages in this report
					Employees	Customers	Shareholders/ investors	Suppliers	Governments/ municipalities	Local communities			
Business management, economy/governance	01	Quality management and technology innovation	L	M	L	M	M	H	H	M	-	Goal 8	54-56
	02	Investment in future growth driver	M	L	M	L	H	H	M	M	-	Goal 9	15
	03	Ethical management and anti-corruption	M	H	M	H	H	H	H	H	GRI 205	Goal 16	69-71
Environment	04	Efforts for climate change response	H	H	H	M	M	M	H	H	GRI 302, GRI 305	Goal 13	22-25
	05	EHS responsibility for chemicals	H	H	H	H	H	M	M	M	-	-	36
	06	Responsible supply chain management	M	L	M	H	H	H	M	H	GRI 306	Goal 12	11, 32-33
Employees	07	Work environment improvement for work-life balance	H	L	H	M	H	L	M	M	GRI 401	Goal 8	46
	08	Workplace safety and health management	H	H	H	H	H	M	H	H	GRI 403	Goal 3	29-31, 35-38
	09	No child/forced labor	M	L	M	H	M	H	M	M	GRI 408, GRI 409	Goal 16	51
Society	10	Responsible supply chain management	M	M	M	L	M	L	H	H	GRI 414	Goal 17	48-50
	11	Efforts for customer satisfaction	L	M	L	H	M	L	H	M	GRI 416	-	54-56
	12	Expansion of legal and compliance management	L	M	L	M	L	L	H	H	GRI 2	Goal 16	69-71

Materiality levels of 12 core ESG issues: top 33%, H; middle 33%, M; bottom 33%, L.

# Progress on Sustainability



Climate Change Response	21
EHS	28
Human Rights Management	39
Employees	42
Suppliers	47
Customers	53
Communities	59
Governance	65



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

**Climate Change Response** ■

- EHS
- Human Rights Management
- Employees
- Suppliers
- Customers
- Communities
- Governance

Appendix

# Climate Change Response



### Background

In response to the global climate crisis, countries and companies are urgently working to reduce greenhouse gas emissions. Legislative measures are becoming stricter, and expectations for transparent GHG disclosures are rising, with evolving standards such as the CDP, TCFD, ISSB S2, and SEC climate disclosures. Stakeholders, in particular, are seeking comprehensive information on companies' strategies, emissions reduction targets, and approaches to risk management.

### Management Approach

EcoPro BM is putting forth multifaceted efforts to respond to the climate crisis, including conducting TCFD-based analysis and capitalizing green loans.

- Climate change response
- EcoPro BM Green Finance Framework

### Key Performance

- SBTi-based **2050 carbon neutrality** goal
- **Carbon footprint certification** for 2 products  
Workplace **SCOPE 3 emissions estimation**
- ECA<sup>1</sup> policy funding  
**KRW 1.2 trillion**

1) ECA: Guarantees and insurance to support overseas expansion provided by a public export credit agency

# Climate Change Response

EcoPro Group develops a comprehensive climate change response strategy aligned with the TCFD guidelines, focusing on climate response across four key areas: governance, strategy, risk management, and metrics and targets. By proactively identifying and managing climate-related risks and opportunities, we aim to minimize potential impacts from climate change.

## TCFD Framework



### 01 Governance

The roles of the Board and management in managing climate-related risks and opportunities

#### Governance for climate change response

The ESG Committee operating under the Board of Directors of the EcoPro holding company spearheads groupwide discussions on ESG-related matters, and the ESG Office is responsible for ESG-related response. The ESG Committee comprises three independent directors and an executive director, with an ESG expert serving as chair. This structure ensures proactive management of climate change and other potential crises that could lead to physical, property, or economic damage within our business operations, as well as effective response strategies should these risks materialize.



### 02 Strategy

Climate-related risks and opportunities the organization has identified over the short, medium, and long term and their impact on the organization's business, strategy, and financial planning

#### Building strategies for 2050 carbon neutrality

We have identified climate-related risks and opportunities to establish mid-to long-term ESG strategies and targets for 2050 carbon neutrality. We prioritize eco-friendliness across our business activities and concentrate our efforts to achieve the targets in every aspect of our business operations.



### 03 Risk Management

The organization's processes for identifying, assessing, and managing climate-related risks

#### Operating an integrated ESG risk management system

We have an integrated risk management system for both financial and non-financial risks.

		Regulation	Hikes in carbon credit prices, stricter emissions reporting obligations, etc.
<b>Threat</b>	Transition risks	Technology	Costs of transitioning to low-carbon technologies, decarbonization of existing products and services, etc.
		Market	Changes in customer behavior and preferences, raw materials cost rises, etc.
		Reputation	Stakeholder concerns or negative feedback, inadequate workforce management plans, etc.
	Physical risks	Acute	Extreme weather events such as typhoons and floods, etc.
		Chronic	Changes in precipitation patterns, extreme volatility in weather patterns, sea level rise, etc.
<b>Opportunity</b>	Energy resource	Use of low-carbon energy, reduced exposure to future fossil fuel price increases, etc.	
	Technology	Developing or expanding low-carbon products and services, diversifying business activities, etc.	
	Market	Increased revenue through access to new and emerging markets, etc.	
	Reputation	Increases in market value through resilience, improved supply chain reliability, etc.	



### 04 Metrics and Targets

Metrics and targets to assess climate-related risks and opportunities

#### Achieve 40% GHG reductions by 2030

EcoPro Group has established GHG reduction targets based on the SBTi, and all EcoPro Group companies are striving to achieve the targets.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

- EHS
- Human Rights Management
- Employees
- Suppliers
- Customers
- Communities
- Governance

Appendix

# Climate Change Response

EcoPro has implemented a comprehensive, group-wide climate change response system. Guided by the Science-based Target Initiative (SBTi), we have set GHG reduction targets and will undertake a range of initiatives to meet these objectives. In 2023, we completed a verification of GHG emissions across our operations and for key products. To ensure transparency and accuracy in our disclosures, we closely monitor updates to global standards and provide annual reports on our progress and activities.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response ■

- EHS
- Human Rights Management
- Employees
- Suppliers
- Customers
- Communities
- Governance

Appendix

## SBTi Reduction Target-Setting Process

SBTi target-setting process	EcoPro Group's results
1. Set the base year	2023 greenhouse gas emissions
2. Set the target year	Short-term reduction target: 2030/ Long-term reduction target: 2050
3. Set the scope of the reduction target	SCOPES 1, 2 + emissions from the minerals supply chain (Li, Ni, Co, Mn, Al)
4. Select a methodology for reduction target setting	Absolute volume reduction method (linear)
5. Set the reduction target	8% reduction per year from 2026/ 3% reduction per year from 2031

## 2023 GHG Emissions

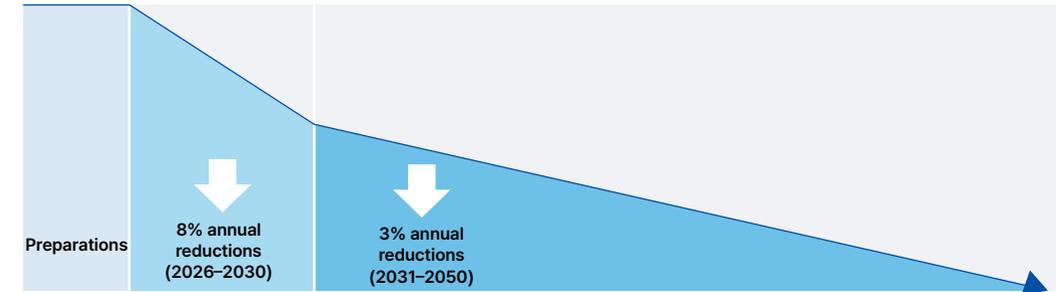
(Unit: tCO<sub>2</sub>eq)

EcoPro Group	Reduction target		
	SCOPE 1	SCOPE 2	Minerals supply chain
EcoPro BM	948	124,193	784,658
EcoPro EM	154	116,271	1,480,060
EcoPro Materials	30,611	37,303	671,016
EcoPro Innovation	8,079	16,818	98,576
EcoPro CnG	2,414	3,099	22,153
EcoPro AP	-	36,982	N/A
EcoPro HN	973	3,544	N/A
<b>Total emissions</b>	<b>43,179</b>	<b>338,210</b>	<b>3,056,463</b>

\* GHG emissions estimated on AR2 with reference to the IPCC (Ministry of Environment); boundary of the organization as per the operational control approach to integrated GHG management.

## Results of SBTi Reduction Target Setting

(Unit: tCO<sub>2</sub>eq)

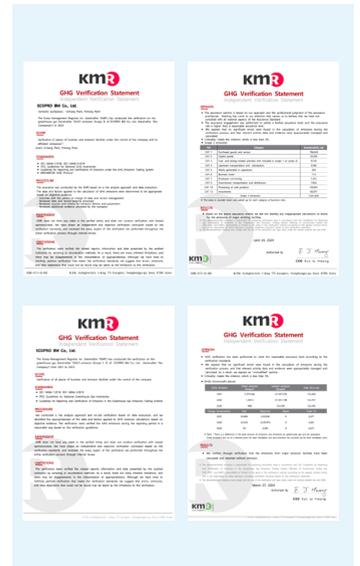


## EcoPro BM' Scope 3 Emissions

(Unit: tCO<sub>2</sub>eq)

Category	Ecopro BM	Ecopro EM
1. Purchased goods and services	784,658	1,480,060
2. Capital goods	54,226	137,520
3. Fuel- and energy-related activities	9,736	9,048
4. Upstream transportation and distribution	9,766	19,330
5. Waste generated in operations	204	253
6. Business travel	714	42
7. Employee commuting	1,352	334
9. Downstream transportation and distribution	7,836	13,892
10. Processing of sold products	102,961	158,671
15. Investments	69,977	-

\* For detailed Scope 3 data, please refer to the GHG verification statement in the Appendix.





About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response ■

- EHS
- Human Rights Management
- Employees
- Suppliers
- Customers
- Communities
- Governance

Appendix

**Efforts for GHG Reduction and Disclosures**

Guided by the Framework Act on Low Carbon and Green Growth, EcoPro BM establishes and manages climate change response strategies to efficiently achieve its GHG and energy reduction goals.

2023	Activity	Energy source	Unit	Reductions achieved
EcoPro BM	Participated in the power demand response market	Electricity	tCO <sub>2</sub> eq	119
EcoPro EM	Participated in the power demand response market	Electricity	tCO <sub>2</sub> eq	60

2022	Activity	Energy source	Unit	Reductions achieved
EcoPro BM	Participated in the power demand response market	Electricity	tCO <sub>2</sub> eq	154
EcoPro EM	Natural gas demand reduction project	LNG	tCO <sub>2</sub> eq	167

2021	Activity	Energy source	Unit	Reductions achieved
EcoPro BM	Participated in the power demand response market	Electricity	tCO <sub>2</sub> eq	34

**Carbon Trust Certification**

The carbon footprint is a key environmental impact category in performance labeling schemes, representing the total emissions associated with the entire life cycle of a product or service, from raw material extraction to production, transportation, distribution, and final use, measured and labelled in CO<sub>2</sub> equivalent. EcoPro BM has received Carbon Trust Certification for its key products. Going forward, we plan to take greater accountability for environmental management and manage our environmental impact across our business operations, thereby achieving green management.



**Energy Management and Saving Activities**

To reduce power consumption, we have streamlined processes, optimized equipment and facility management, and improved operating hours. We also recover and recycle waste heat from coolant to reduce gas consumption.

2023	Activity	Energy source	Unit	Reductions achieved
	Improved the calcination room	Electricity	Kwh	1,312,251
	Installed inverters	Electricity	Kwh	1,084,324
EcoPro BM	Reduced dryer heating time	Electricity	Kwh	457,752
	Improved dryer insulation	Electricity	Kwh	438,682
	Reused coolant waste heat	LNG	m <sup>3</sup>	24,051
	Improved inverter control	Electricity	Kwh	1,858,800
EcoPro EM	Improved compressor intake	Electricity	Kwh	849,857
	Reused waste heat	LNG	m <sup>3</sup>	269,900

2022	Activity	Energy source	Unit	Reductions achieved
	Augmented the feedwater efficiency with additive improvements	Electricity	Kwh	42,185
EcoPro BM	Simplified the production process	Electricity	Kwh	1,423,756
	Changed the reverse osmosis feeding method	Electricity	Kwh	35,040
	Improved power factor (86% to 90%+)	Electricity	Kwh	31,500
	Improved through inverter control	Electricity	Kwh	1,354,943
EcoPro EM	Improved compressor uptime	Electricity	Kwh	138,358
	Improved air conditioner and thermohygrostat	Electricity	Kwh	67,232

2021	Activity	Energy source	Unit	Reductions achieved
EcoPro BM	Improved compressor uptime	Electricity	Kwh	210,169



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

**Climate Change Response** ■

- EHS
- Human Rights Management
- Employees
- Suppliers
- Customers
- Communities
- Governance

Appendix

**Scope 1&2 Reduction Measures**

<b>Achieve RE100</b>	<b>Develop low-carbon products</b>	<b>Install solar panels</b>
<ul style="list-style-type: none"> <li>• Achieve RE100 through ratification of PPAs and investments</li> <li>• Select RE100-capable sites</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the use of low-carbon raw materials (Mn-rich)</li> <li>• Reduce the use of high-carbon raw materials (Cobalt)</li> </ul>	<ul style="list-style-type: none"> <li>• Install solar panels on idle spaces such as roofs, parking lots, and exterior walls</li> </ul>
<b>Improve air compressor efficiency</b>	<b>Optimize refrigeration/cooling systems</b>	<b>Introduce a waste heat recovery system</b>
<ul style="list-style-type: none"> <li>• Introduce an integrated air compressor control system</li> <li>• Optimize compressed air output pressure</li> <li>• Replace air compressor VSDs</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce high-efficiency turbo chillers</li> <li>• Control chilled water pump/coolant pump rotation speed</li> <li>• Introduce outside air to electrical and air compressor rooms</li> </ul>	<ul style="list-style-type: none"> <li>• Recover and reuse exhaust waste heat</li> <li>• Reuse CO<sub>2</sub> dryer purge air</li> </ul>
<b>Improve kiln efficiency</b>	<b>Improve dryer efficiency</b>	<b>Build green buildings</b>
<ul style="list-style-type: none"> <li>• Reduce kiln volume</li> <li>• Increase kiln insulation (reflective insulation)</li> <li>• Improve kiln room air conditioning duct</li> </ul>	<ul style="list-style-type: none"> <li>• Change dryer operation methods (types)</li> <li>• Apply electric/PCM dryers</li> <li>• Increase dryer insulation (spray insulation)</li> </ul>	<ul style="list-style-type: none"> <li>• Retrofit LED lights at sites across Group companies</li> <li>• Pursue green building conversions, including geothermal systems, insulated windows, etc.</li> </ul>

**Transition to Green Buildings**

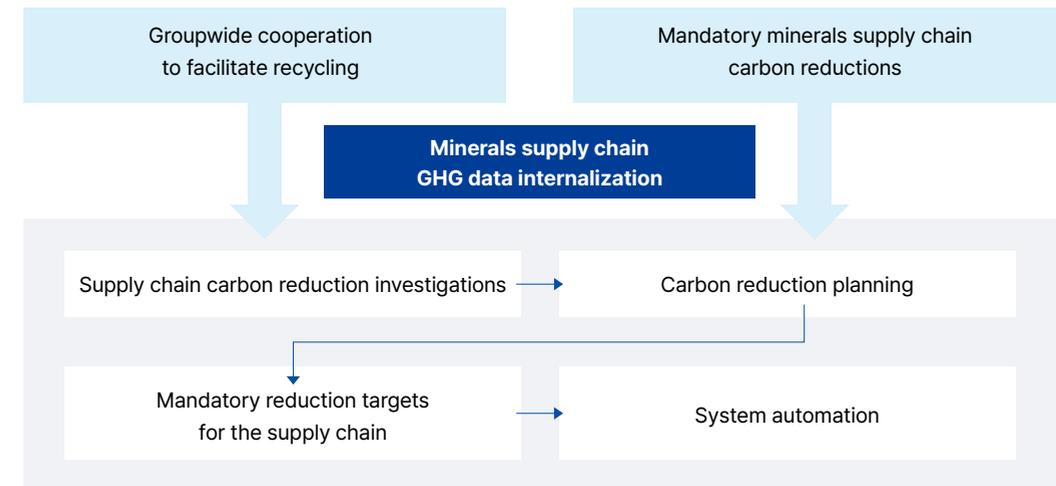
EcoPro BM is making the transition to green buildings by using environment-certified insulation in the construction of its buildings and switching to LED lighting. We will continue our efforts for energy efficiency and GHG minimization across our operations beyond production.

**Renewable Energy Expansion Plan**

In Korea, we will source renewable energy by purchasing Renewable Energy Certificates (RECs) and entering into Power Purchase Agreements (PPAs). In Europe, we have already signed PPAs as part of our plant investment process, and we will increase the supply of renewable energy as the plants become operational. In North America, we are reviewing and selecting regions with ample renewable energy resources by priority. Moving forward, we will continue exploring new ways to expand our use of renewable energy sources.

**Measures to Reduce GHG Emissions from the Minerals Supply Chain**

EcoPro's Eco-friendly Closed-loop Ecosystem is a groupwide initiative designed to enhance recycling efforts and reduce GHG emissions, including the waste battery recycling program managed by EcoPro CnG. In addition, EcoPro will closely monitor emissions and GHG reductions across its minerals supply chain and introduce mandatory reduction targets. To support this, the company plans to implement an automated monitoring system aimed at tracking and reducing emissions throughout the supply chain.



Category	Korea	Europe	North America
<b>Power purchase agreements (PPAs)</b>	○	○	
<b>Renewable energy certificates (RECs)</b>	○	○	
<b>Select sites with access to renewable energy</b>			○

# EcoPro BM Green Finance Framework

EcoPro BM established the Green Finance Framework in 2023 for financing through green products. The framework primarily consists of bonds and loans. The former is in compliance with the 2021 Green Bond Principles<sup>1)</sup> of the International Capital Market Association (ICMA), and the latter with 2023 Green Loan Principles<sup>2)</sup> of the APLMA, LMA and LSTA.

\*1) ICMA Green Bond Principles June 2021 (with June 2022 Appendix 1)

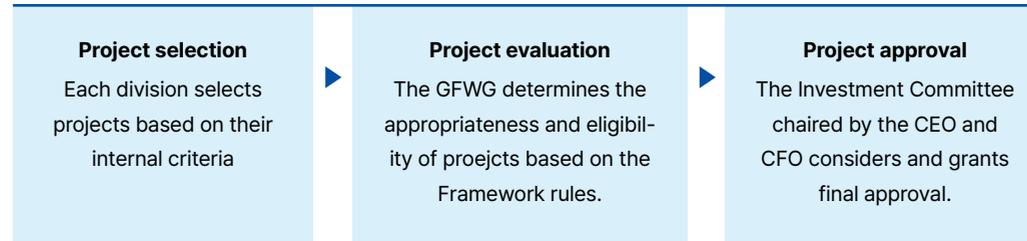
\*2) APLMA, LMA, and LSTA Green Loan Principles February 2023

## Framework Overview

We have established standards for issuing Green Finance Transactions to ensure sustainable growth and financing. For these bond and loan products, we will disclose (1) use of proceeds, (2) project evaluation and selection process, (3) management of proceeds, and (4) reporting. We will disclose changes to the Green Finance Framework on our website and continue managing the framework to ensure transparent disclosure.

## Project Evaluation and Selection Process

The Green Financing Working Group (GFWG) consists of the Financial Team, the ESG Office, and the Global Project Team. The overall process is supervised and managed by the expert staff.



## Proceed Management

The proceeds from each product will be managed by the GFWG. We have established a process to precisely track the movement of funds. We will also conduct an annual review of the appropriateness of the allocation of funds to approved projects.

Type of transaction	Allocation of proceeds
<ul style="list-style-type: none"> <li>Air quality management</li> <li>Water environment management</li> <li>Hazardous chemicals management</li> <li>Waste management</li> <li>Soil pollution management</li> </ul>	<ul style="list-style-type: none"> <li>All proceeds from bonds and loans are allocated to projects within 12 months</li> <li>Pending allocations invested in cash or cash equivalents</li> <li>Repayment of existing borrowings for the company's general credit facility, etc.</li> </ul>

## Green Project Category and Eligibility Criteria

Project Category	Eligibility Criteria and Description	UN SDGs
Battery material production that contributes to climate change mitigation	<ul style="list-style-type: none"> <li>Investments or expenditures related to the production of battery materials for use in electric vehicles, e-bikes, energy storage systems (ESS) and electric tools</li> <li>Purposed to substantially reduce GHG emissions</li> <li>May include the construction and maintenance of production facilities for the development, production, research and development of battery materials</li> </ul>	UN SDG 11 UN SDG 12 UN SDG 13
Renewable energy	<ul style="list-style-type: none"> <li>Investments or expenditures related to renewable energy, such as wind and solar</li> <li>PPA fulfillment for battery material production plants</li> <li>Investments in the construction, installation, maintenance, and operation of renewable energy facilities, etc.</li> </ul>	UN SDG 7 UN SDG 13
Energy efficiency	<ul style="list-style-type: none"> <li>Investments in the construction, installation, maintenance, and operation of renewable energy facilities, etc.</li> <li>Investments or expenditures related to the development, maintenance, or improvements to infrastructure aimed at improving the energy efficiency of EcoPro BM's offices and operations.</li> <li>Compressor energy efficiency improvement</li> <li>LED lighting and/or light sensors</li> <li>Construction and maintenance of building equipment to improve energy efficiency, such as HVAC systems, chillers, lift systems, etc.</li> <li>Green-certified construction insulation, etc.</li> </ul>	UN SDG 7 UN SDG 9 UN SDG 13

\* Green project disqualification criteria: projects related to luxury goods, weapons, alcohol, tobacco, fossil fuels, nuclear weapons; projects that involve child or forced labor, conflict minerals, etc.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response ■

- EHS
- Human Rights Management
- Employees
- Suppliers
- Customers
- Communities
- Governance

Appendix

# EcoPro BM Green Finance Framework



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response ■

- EHS
- Human Rights Management
- Employees
- Suppliers
- Customers
- Communities
- Governance

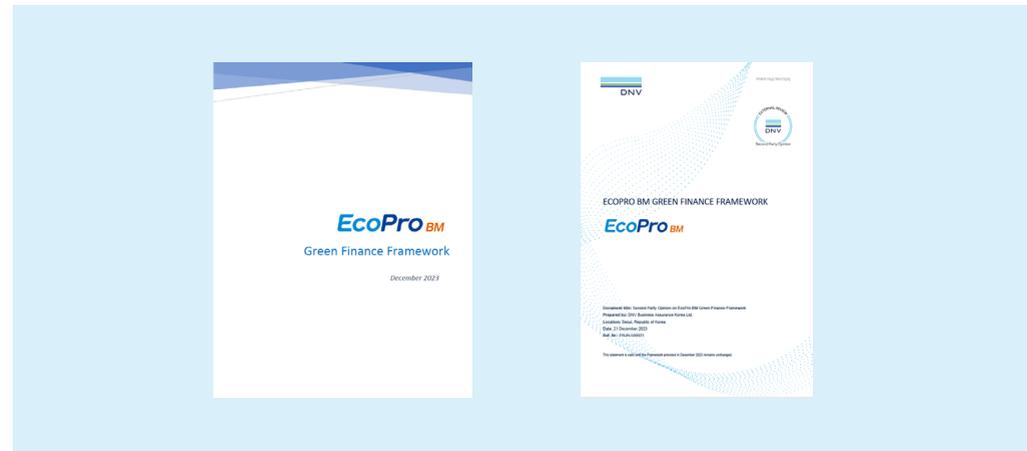
Appendix

## Use of the Funds

The funds will be used to finance or refinance existing or new green projects.

## External Review

EcoPro BM has reviewed this framework with DNV. Going forward, we will engage an independent third party to verify our annual Green Finance Report to ensure transparency. We will disclose the third-party assurance statement in the Green Finance Report on our website.



## Disclosure

We will report changes in proceeds and category-specific impact metrics of green projects annually until the completion of fund allocation.

## Changes in Proceeds

Category	Key items
Key disclosure	<ul style="list-style-type: none"> <li>• Name and description of the eligible project to which green product proceeds have been allocated</li> <li>• Proceeds allocated to eligible projects</li> <li>• Financing-refinancing ratio</li> <li>• Balance of (all) unallocated proceeds</li> <li>• Interim investment of (all) unallocated proceeds</li> </ul>

## Green Project Category Impact Metrics

Category	Key items (example)
Battery material production that contributes to the climate change mitigation	<ul style="list-style-type: none"> <li>• GHG reductions by generating revenue from battery materials produced in connection with an electric vehicle, e-bike, ESS, or power tool projects</li> <li>• Estimated annual CO<sub>2</sub> emissions (tCO<sub>2</sub>eq)</li> </ul>
Renewable energy	<ul style="list-style-type: none"> <li>• Total renewable energy production (MWh)</li> <li>• Estimated annual CO<sub>2</sub> emissions (tCO<sub>2</sub>eq)</li> </ul>
Energy efficiency	<ul style="list-style-type: none"> <li>• Energy saving (kWh)</li> <li>• Estimated annual CO<sub>2</sub> emissions (tCO<sub>2</sub>eq)</li> </ul>

- Bond transactions under the framework disclosed through the annual Green Finance Report on our website.
- For loan transactions under the framework, financial documents or annual Green Finance Reports provided to lenders.



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

Climate Change Response

**EHS** ■

Human Rights Management

Employees

Suppliers

Customers

Communities

Governance

Appendix

# EHS



### Background

Corporate sustainability fundamentally begins with creating a safe, healthy, and environmentally responsible workplace. This involves not only ensuring a secure working environment and effectively managing environmental pollutants and emissions but also supporting the physical and mental well-being of employees. Global stakeholders increasingly seek transparent outcomes from self-assessment activities, including workplace risk and environmental impact assessments. Moreover, the scope of required environmental data is expanding to encompass critical areas such as water management, waste recycling, and natural capital considerations, including biodiversity.

### Management Approach

EcoPro BM actively prevents safety incidents by rigorously analyzing risk factors within the working environment and implementing safety standards that exceed both domestic and international legal requirements. We categorize and manage various potential disasters, including major incidents, based on factors such as personnel involved, timing, and specific characteristics. This approach includes monitoring the 7 major accidents and addressing the 10 major issues.

- EHS Management System
- Green Workplace Management
- Health and Safety Activity and Accomplishments
- Emergency Response

### Key Performance

- Health and safety investment  
**KRW 3.88 billion**
- Operation of **Safety Golden Rules**
- Corporate-wide **EHS implementation assessment**



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

**EHS** ■

Human Rights Management

Employees

Suppliers

Customers

Communities

Governance

Appendix

## EHS

# EHS Management System

At EcoPro BM, we have established an environmental management system to safeguard the community environment as envisioned by the CEO's commitment to safety and environment being the top priorities in its business. We establish attainable targets and goals and put forth multifaceted efforts to ensure green business sites and minimize the impact of emissions.

### EHS Management Policy

Through continuous monitoring of our Environmental, Health, and Safety (EHS) management system, we regularly assess the relevance, implementation, and effectiveness of our management policies, goals, and specific tasks. Aligning with the standards of EHS certifications such as ISO14001 and ISO45001, we have established a system to consistently apply and internalize global-level practices. In addition, we have implemented policies designed to enhance employee health and safety and ensure customer protection. These policies are uniformly applied across all employees, customers, suppliers, and visitors. Specifically, we have identified seven types of accidents relevant to our business environment, as categorized by the Ministry of Labor, and apply rigorous control measures to manage these risks effectively.

#### EHS Management Policy

- We value environment, health, and safety as the top priority of business management.
- We comply with domestic and international laws, regulations, and agreements relating to environment, health, and safety.
- We establish and implement concrete goals for the improvement of environment, health, and safety.
- We make continuous investments in accident prevention and environmental pollution prevention at all operations.
- We proactively manage risks through spontaneous environment, health, and safety initiatives.
- We practice environmental protection and share information for mutual growth with the local communities.
- We fulfill our social responsibility through communication with all stakeholders.

Choi Moon-ho, CEO

### 7 Major Accidents

Rotating body (mixer)	Crusher and shredder	Industrial robot
Forklift	Crane	Conveyor
Cargo transporting truck		

### EHS Goals

We have set ambitious environmental management goals to foster a sustainable, eco-friendly ecosystem. Our core objectives include waste and emissions management, robust environmental management systems, regulatory compliance, and meeting stakeholder expectations. To achieve these, we are actively implementing targeted initiatives. Additionally, we have cultivated a strong safety culture, encouraging employees to prioritize safety before beginning any task. Our commitment to creating an accident-free workplace is evident in our efforts to internalize safety awareness among employees and enhance our self-assessment and management processes through a digital safety management system. In 2023, our dedication to safety was reflected in achieving zero fines, as the CAM5-5N implementation status assessment revealed no issues, and we were recognized by the Gyeongbuk Governor on Fire Day. Looking ahead to 2024, we plan to further strengthen safety by addressing high-risk factors and establishing a monitoring system designed to minimize accident-related management risks.

#### EHS Goals

##### Construction of Safe Workplace

- Augmentation of all employees' safety awareness
- Realization of foolproof system
- Compliance with Safety Golden Rules

##### Legal Compliance

- Stay within the 30% statutory standards
- Manage legal compliance evaluation
- Manage stakeholder requirements

##### Talent Development

- New hires EHS training 100%
- Regular EHS training 100%
- Supervisor capacity building training 100%

##### System Management

- ISO 14001 (Environmental Management System)
- ISO 45001 (Health and Safety Management)

##### Green Workplace

- Promote energy saving activities
- Promote waste reduction activities
- Promote pollutant reduction activities

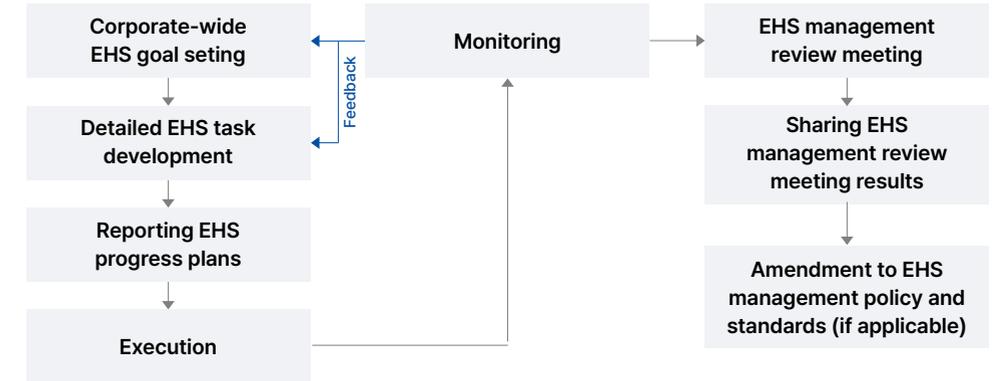
# EHS Management System

## EHS Management Governance

At EcoPro BM, EHS management governance is overseen by the CEO as the highest decision-making authority, with the Safety and Environment Headquarters responsible for executing EHS management. The commitment to safeguarding safety, health, and the environment is integral to all our business activities. Annually, the safety and health management organization develops and oversees a comprehensive environmental, safety, and health plan. This plan includes providing guidance on safety and health practices for teams responsible for R&D, production, manufacturing technology, and quality to ensure safety and security are internalized across all functions. In addition, through ongoing evaluations of the EHS management system, we assess the relevance of our strategic direction and management policies while ensuring the feasibility of implementing our management strategies and tasks.



## EHS Management Review Process



## EHS Management System Certification (ISO 14001, ISO 45001)

We obtained and have retained certification for all business sites since 2019 for EcoPro BM and 2022 for EcoPro EM.



EcoPro BM

EcoPro EM



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

**EHS**

Human Rights Management

Employees

Suppliers

Customers

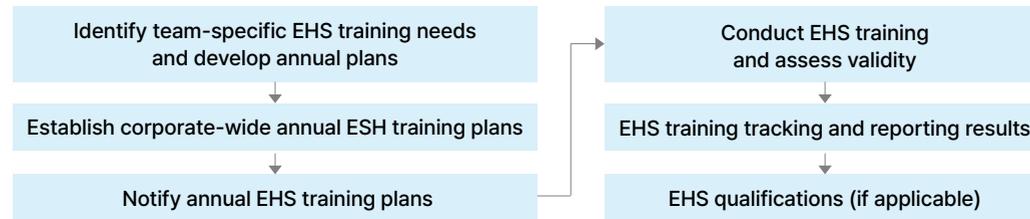
Communities

Governance

Appendix

# EHS Management System

## Regular EHS Training Process



## EHS Training and Evaluation

(As of 2023)

No.	Category	Effectiveness criteria	Output	Timing
1	Statutory	Training attendance • Evaluation by training institutions	Training report or certificate of completion	Post-training
2	Job training	• Training reports • Post-training work performance	Training report or certificate of completion	Within 1 month post-training

## EHS Training

### Environmental Training

We conduct regular and ad hoc trainings and monitor the quality of trainings by evaluating the effectiveness of trainings after establishment of training planning and implementation. In particular, in 2023, we conducted special trainings to help employees better understand the detailed guidelines and annual plans of the system to operate and internalize the environmental management system.

### Health and Safety Training

Health and safety training at EcoPro BM is conducted in compliance with domestic legal standards and is structured into two primary categories: workplace health and safety training, and management training. Workplace health and safety training is further segmented into specific modules, including training for new hires, training for changes in job responsibilities, specialized health and safety training, and regular ongoing training, with additional, separate training provided for supervisors. We develop annual training plans and strive to raise employee awareness of health and safety by creating and distributing instructional materials, audio-visual content, and coordinating external training sessions. In 2023, both health and safety training sessions and management training achieved a 100% attendance rate, with all participants successfully completing the programs.

## EHS Investments

### Health and Safety Investments

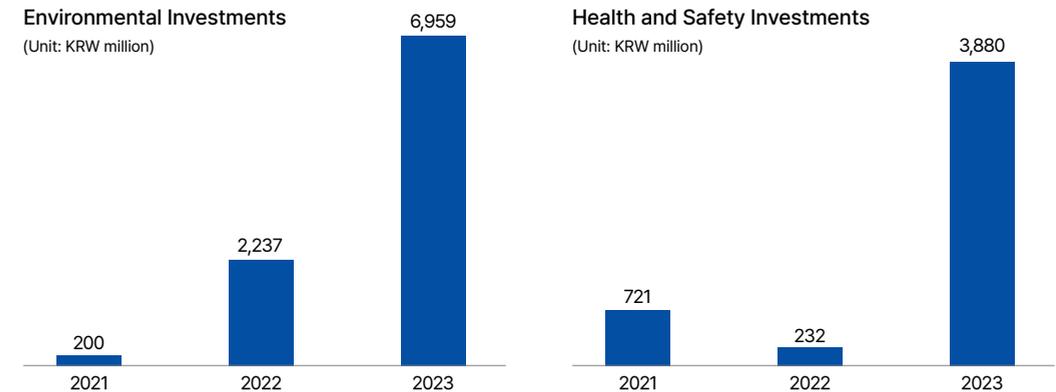
To strengthen health and safety, we invest in purchasing safety equipment, providing health checkups, seeking consulting on permits and licenses, and improving facilities and work environments. In 2023, we invested KRW 3.88 billion in purchasing protective gear, installing artificial intelligence CCTVs, and developing an integrated digital EHS system.

- Purchasing protective gear for employees
- Employee health checkup
- Statutory inspection of safety devices
- Safety permit consulting

- Installing AI CCTVs
- Integrated digital EHS system
- Digital chemicals control system
- Metaverse disaster prevention room

### Environmental Investments

We actively invest in mitigating our environmental impact. In July 2023, we completed the installation of the MVR evaporation and concentration facility and RO. The facility has since then allowed us to reuse approximately 48,000 tons of water in just five months, including EcoPro EM. We will continue to invest in improving our wastewater treatment processes and creating a clean and safe ecosystem for local communities.



\* Environmental investments and health and safety investments by EcoPro BM.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

**EHS** ■

Human Rights Management

Employees

Suppliers

Customers

Communities

Governance

Appendix

# Green Workplace Management

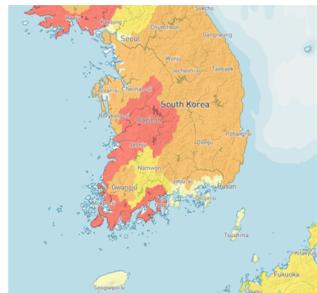
We analyze the impact of our business activities on the external environment and reflect the findings in our goals and activities to maintain an eco-friendly workplace. We also manage environmental factors that have an external impact. In particular, we monitor data on our business operations, including water resources, waste, and biodiversity.

## Water Resource Management

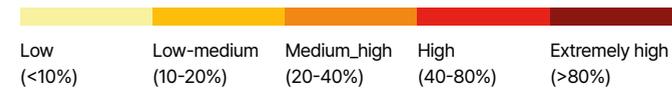
EcoPro BM is committed to water saving through utility water management. To do so, we monitor changes in water consumption in comparison with the same month of the previous year or the previous month and investigate the causes. We consider site-specific water stress levels and identify areas exposed to water scarcity. This information is shared with stakeholders to foster a collective understanding of the importance of water conservation. In addition, we engage employees through campaigns and programs aimed at promoting the protection of water resources. To further reduce water consumption, we recycle water used for lithium recovery.

### Current Status of the Site-Specific Water Stress

(As of April 2024)



Site	Water Stress
Pohang	High (40-80%)
Cheongju	Extremely high (>80%)



\* Source: World Resource Institute (WRI) Aqueduct, <https://www.wri.org>

## Water Consumption

Category	Unit	2021	2022	2023
Total	Tons	538,028	743,364	903,295
Water consumption compared to sales	Tons/KRW hundred million	36	14	13

\* Including EcoPro EM

## Waste Management

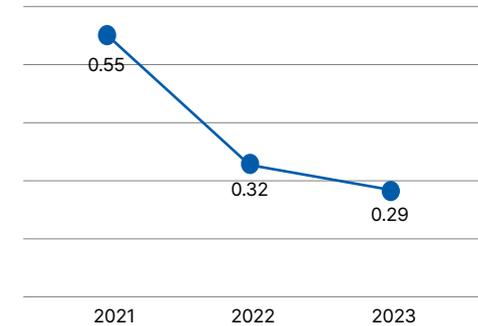
We categorize our waste into general waste and designated waste in accordance with environmental regulations and our internal rules. We apply rigorous control from the storage to the disposal of waste, which are professionally treated by external services. In addition to efforts to reduce waste generation, we recycle waste to further reduce our environmental impact.

Category	Unit	2021	2022	2023
Waste generation	Tons	8,207	16,974	19,940
Waste generation compared to sales	Tons/KRW hundred million	0.55	0.31	0.29
Waste recycled	Tons	7,877	16,917	19,900
Waste recycling rate	%	96.0	99.7	99.8

\* Including EcoPro EM

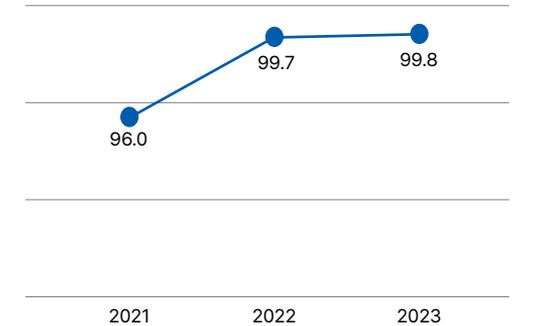
### Waste generation compared to sales

(Unit: tons/KRW hundred million)



### Waste recycling rate

(Unit: %)



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

**EHS**

Human Rights Management

Employees

Suppliers

Customers

Communities

Governance

Appendix

# Green Workplace Management

## Wastewater Management and Reduction Activities

EcoPro BM actively fulfils its responsibility as a corporate citizen to create a clean and safe ecosystem for local communities by improving the wastewater treatment process with the introduction of MVR evaporation and concentration facilities<sup>1)</sup> and RO<sup>2)</sup>. At the Ochang and Pohang sites, we strictly manage the discharge of regulated substances<sup>3)</sup> BOD, TOC, SS, T-N, and T-P in contrast to the 30% or less of the statutory standard.

### Ochang Site (As of 2023)

Category	Unit	BOD	TOC	SS	T-N	T-P
Emission threshold	ppm	100	60	100	-	-
Emission concentration	ppm	0.85	3	3.14	3.51	0.65
Emission concentration compared to the threshold	%	0.85	5	3.14	-	-

### Pohang Site (As of 2023)

Category	Unit	BOD	TOC	SS	T-N	T-P
Emission threshold	ppm	10	25	10	20	0.5
Emission concentration	ppm	0.7	3.7	1.15	1.25	0.08
Emission concentration compared to the threshold	%	7	14.8	11.5	6.25	15.5

### EcoPro EM (As of 2023)

Category	Unit	BOD	TOC	SS	T-N	T-P
Emission threshold	ppm	-	25	10	20	2
Emission concentration	ppm	-	2.9	1.8	2.4	0.08
Emission concentration compared to the threshold	%	-	12	18	12	4

1) MVR: Mechanical Vapor Recompression; heat is applied to the wastewater, the water vapor is reused as water, and the concentrate is recycled to recover valuable metals.

2) RO: Reverse osmosis; osmosis filters are used to recycle wastewater as utility water.

3) Substances subject to emission regulations

- BOD: Biochemical Oxygen Demand
- TOC: Total Organic Carbon
- SS: Suspended Solids
- T-N: Total Nitrogen
- T-P: Total Phosphorus

## Air Pollutant Management

At EcoPro BM, air pollutant management is organized through a self-measurement registration and monitoring system. Pollutant-specific data are managed by site, permit holder, and discharge type, with clearly defined measurement cycles to ensure regular and timely data reporting. The company maintains strict control over air pollution reduction systems and consumables by using detailed operation logs and checklists.

### Ochang Site (As of 2023)

Category	Dust (mg/Sm <sup>3</sup> )	NOx (ppm)	SOx (ppm)	Nickel (mg/Sm <sup>3</sup> )	Ammonia (ppm)
Emission threshold	30	40	35	2	30
Emission concentration	0.8	14.6	0	0.081	1.5
Emission concentration compared to the threshold (%)	2.67	36.5	0	4.1	5.0

### Pohang Site (As of 2023)

Category	Dust (mg/Sm <sup>3</sup> )	NOx (ppm)	SOx (ppm)	Nickel (mg/Sm <sup>3</sup> )
Emission threshold	30	40	10	2
Emission concentration	0.38	21.5	0	0.04
Emission concentration compared to the threshold (%)	1.27	53.75	0	1.9

\* For Pohang site, ammonia is not a regulated substance (As of 2023)

### EcoPro EM (As of 2023)

Category	Dust (mg/Sm <sup>3</sup> )	NOx (ppm)	SOx (ppm)	Nickel (mg/Sm <sup>3</sup> )
Emission threshold	30	40	10	2
Emission concentration	0.98	19.85	0	0.02
Emission concentration compared to the threshold (%)	3.27	49.63	0	0.9

\* For Pohang site, ammonia is not a regulated substance



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

EHS ■

Human Rights Management

Employees

Suppliers

Customers

Communities

Governance

Appendix

# Green Workplace Management

## Biodiversity

EcoPro BM is deeply committed to safeguarding biodiversity. Recognizing the critical importance of biodiversity conservation, we actively engage in initiatives to combat habitat loss, preserve genetic diversity, support sustainable agriculture, manage aquaculture and forest areas responsibly, and promote sustainable fisheries management. As part of this commitment, we maintain an awareness of endangered wildlife near our primary operational sites and take particular care to protect the habitats of vulnerable and protected species

Category	Cheonju (Ochang Site)	Pohang
Endangered Wildlife Class I	Otter	Otter, Stumpy bullhead, Charonia sauliae
Endangered Wildlife Class II	Cigaritis, Long-billed plover, Gold-spotted pond frog, Narrow-mouthed toad	Prickly lotus flower, Glaux maritima

## Environmental Risk Assessment and Management

Our Ochang and Pohang sites are situated within state-established industrial complexes, ensuring full compliance with all applicable laws and local governance ordinances. Additionally, we work to minimize environmental impacts by maintaining open communication with stakeholders. This includes notifying local communities of potential chemical incidents related to hazardous substances managed at our facilities, as required by relevant regulations.

## Environmental Review

Environmental assessment results are reviewed annually, and all new plant and facility projects, as well as expansions, undergo comprehensive environmental impact assessments. We evaluate any changes in products, business activities, and services that may positively or negatively affect the environment. Under the leadership of the CEO as the highest decision-maker, the heads of relevant departments, along with the heads of the Safety and Environment Headquarters and the EHS Management Team, collectively make key decisions regarding the development and execution of environmental plans.

## Environmental Protection Activities

### Ochang Hydrangea Garden Project

We created a hydrangea garden with locals. The project was joined by EcoPro employees, Ochang-eup Office, and local residents.



### Pohang Hope Forest Tree Planting Project

On Arbor Day every year, community groups, schools, and citizens in Pohang gather together to plant trees with the shared goal of improving the local environment and making the city greener. EcoPro Materials will remain committed to protecting the local environment and ecosystem.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

EHS ■

Human Rights Management

Employees

Suppliers

Customers

Communities

Governance

Appendix

# EHS Activities and Accomplishments

## Safety Golden Rules

More than 90% of safety accidents are caused by unsafe behaviors and negligence. In response, we have developed the Safety Golden Rules that specify 10 patterns of unsafe behavior.



## Occupational Health and Safety Committee

The Occupational Safety and Health Committee at EcoPro BM convenes quarterly. The committee is attended by employer representatives, including the chief health and safety officer, the director responsible for environmental safety, the safety team leader, the safety manager, and the health manager, and employee representatives including the honorary occupational safety supervisor and management supervisors. This committee discusses and addresses critical health and safety issues such as occupational accident prevention plans, regulations and standards, health and safety education, as well as work environment measurements and critical accident analysis.

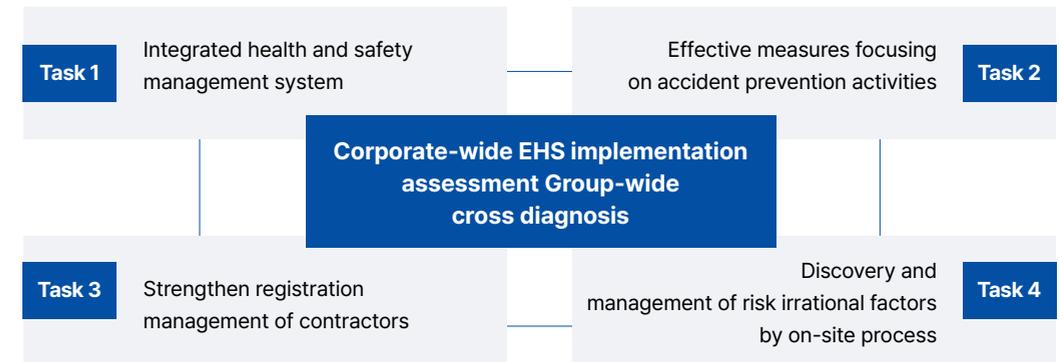
## Workplace Safety Assessment and Analysis

### Risk Assessment

Risk assessments are categorized into initial, occasional, and periodic assessments. We conduct workplace risk assessments at least once every six months. We analyze details such as the scale and impact of risks and strive to eliminate factors that are threats to the safety of the workplace and employees.

### Implementation Assessment

To enhance workplace safety, we conducted a comprehensive, group-wide health and safety assessment and cross-diagnosis across all group companies. This initiative reviewed the health and safety organizational structure, the foundation of workplace safety, as well as compliance with the Serious Accident Punishment Act and the Occupational Health and Safety Act. Identified issues were analyzed, and corresponding improvement tasks and countermeasures were developed and integrated into future plans to strengthen the timeliness and effectiveness of our safety initiatives.



## 10 Safety Accident Issues

In 2023, we conducted a detailed analysis of safety accidents by categorizing them into 10 types. Based on the analysis, we identified human, timing, and characteristic issues and developed countermeasures accordingly.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

Customers

Communities

Governance

Appendix

# EHS Activities and Accomplishments



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

Climate Change Response

**EHS** ■

Human Rights Management

Employees

Suppliers

Customers

Communities

Governance

Appendix

## Intelligent CCTV and Integrated Video System

We have implemented intelligent CCTV systems in high-risk areas where fires and explosions may occur or where oversight is challenging. This system facilitates constant monitoring to ensure prompt responses to unexpected situations and disasters. In addition, we are committed to fostering a safe workplace through ongoing accident prevention initiatives. These initiatives include benchmarking best practices and conducting thorough inspections informed by insights gained from past safety incidents.

## Supply Chain Safety Audit

EcoPro BM conducts monthly health and safety council meetings with our suppliers, alongside quarterly health and safety inspections. During these inspections, we actively involve our suppliers and emphasize the importance of addressing any identified areas requiring improvement.



Supplier Council



Joint Inspection\_Work

## Hazardous Chemicals Management

EcoPro BM prioritizes safety in handling chemicals by preparing and providing Material Safety Data Sheets (MSDS) that are easily accessible to workers. Warning signs are clearly displayed on chemical packaging to enhance awareness. In addition, any take-in of hazardous chemicals is reported to the Safety Management Department, ensuring they are managed and handled according to established safety measures.

Category	Key information	
MSDS	<ul style="list-style-type: none"> <li>Chemical product and manufacturer</li> <li>Hazard and risks</li> <li>Name and content of ingredients</li> <li>First aid</li> <li>Response in the event of explosion or fire</li> <li>Response in the event of leakage</li> <li>Handling and storage</li> <li>Exposure prevention and personal protective equipment</li> </ul>	<ul style="list-style-type: none"> <li>Physicochemical properties</li> <li>Stability and reactivity</li> <li>Toxicity</li> <li>Environmental impact</li> <li>Disposal precautions</li> <li>Information required for transportation</li> <li>Legal and regulatory status</li> <li>Other notes</li> </ul>
Management know-how	<ul style="list-style-type: none"> <li>Product name</li> <li>Health and environmental hazards, physical hazards</li> <li>Safety and health handling precautions</li> <li>Proper protective equipment</li> <li>First aid tips and accident response</li> </ul>	

## Regulatory Response

When designing cathode materials, EcoPro BM adheres to REACH<sup>1)</sup> requirements and ensures that relevant test reports are verified by a third party. The company is dedicated to minimizing the use of hazardous substances in line with REACH guidelines and provides MSDS<sup>2)</sup> to all customers to prevent safety issues and address potential problems.



1) REACH: European regulation for the registration, evaluation, authorization, and restriction of chemicals based on quantity and hazard  
 2) MSDS: Document with the information needed for the safe use and management of chemicals  
 3) RoHS: Restriction of Hazardous Substances  
 4) SVHC: Substances of Very High Concern

# EHS Activities and Accomplishments



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

**EHS** ■

Human Rights Management

Employees

Suppliers

Customers

Communities

Governance

Appendix

## Employee Health Management

To ensure a safe working environment and enhance safety awareness among field workers, we conduct a range of medical examinations. These include periodic health checkups, special medical assessments, pre-placement examinations, and frequent medical evaluations to monitor employee health levels. For employees with specific health conditions, we offer various health promotion programs to support their well-being. In 2024, we are scheduled to receive certification as an "Excellent Workplace for Health Promotion" from the Korea Occupational Safety and Health Agency. Recognizing the critical importance of health promotion activities, we remain committed to making active efforts in this area

### Health management programs

Health counseling	Guidance and advice on how to prevent occupational diseases
Medical examinations and checkups	Lifestyle advice

## Employee Health Promotion Activities

We strive to create a workplace environment that promotes both health and safety through a variety of safety training programs, campaigns, and health support initiatives. Our efforts include safeguarding employees' physical health by conducting health checkups for all staff and investigating musculoskeletal hazards, as well as supporting mental health through depression and stress management programs. In 2023, we implemented the Red Circle Zone: Know-Your-Vessel campaign at our Pohang site to assist employees in managing their blood glucose levels and preventing cardiovascular diseases. A total of 93 employees participated in the screenings, resulting in the identification of 62 control factors that were subsequently addressed. Additionally, through our Mindfulness Talk Talk service, we provided mental health counseling and stress assessments focused on managing depression and anxiety.

### Occupational accidents at EcoPro BM

Category		Unit	2021	2022	2023
Injury rate		%	0.17	0.61	0.14
Injuries	Injury	People	2	7	2
	Fatality	People	0	1	0
LTIFR		Proportion	0.72	2.54	0.59

LIFTR (Lost Time Injury Frequency Rate) = Number of occupational accidents / Total work hours \*1,000,000



2023 Healthy Workplace, Happy Energy Responsible Drinking Campaign



Red Circle Zone: Know-Your-Vessel



Outreach mental health support service Mindfulness Talk Talk

# Emergency Response

To protect the safety of our employees and minimize damage to our workplaces in the event of an emergency, we have established emergency scenarios and response plans.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

Customers

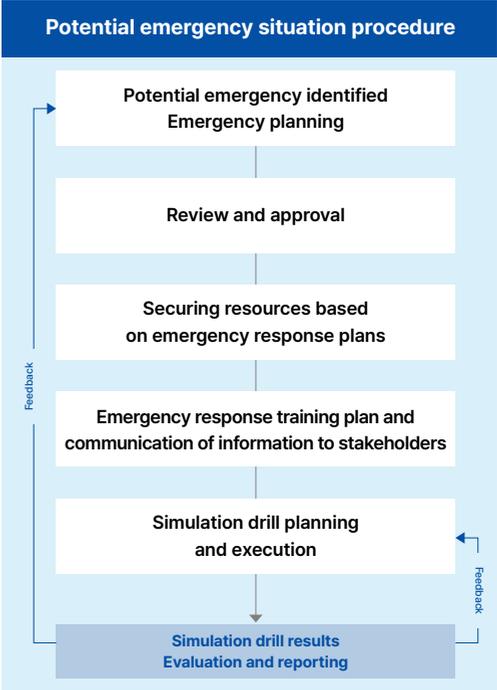
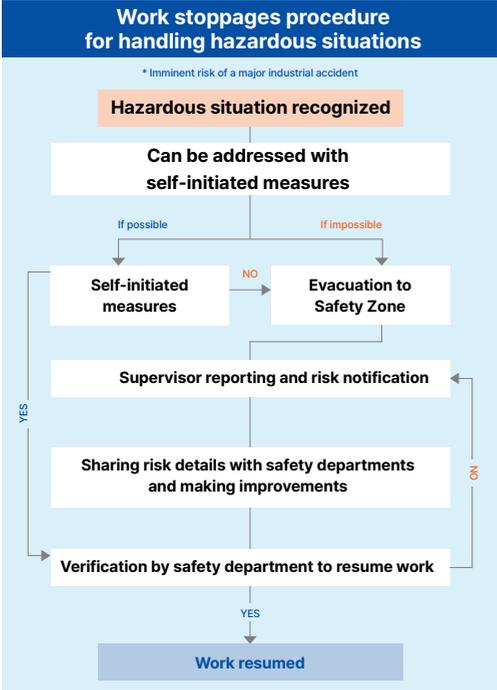
Communities

Governance

Appendix

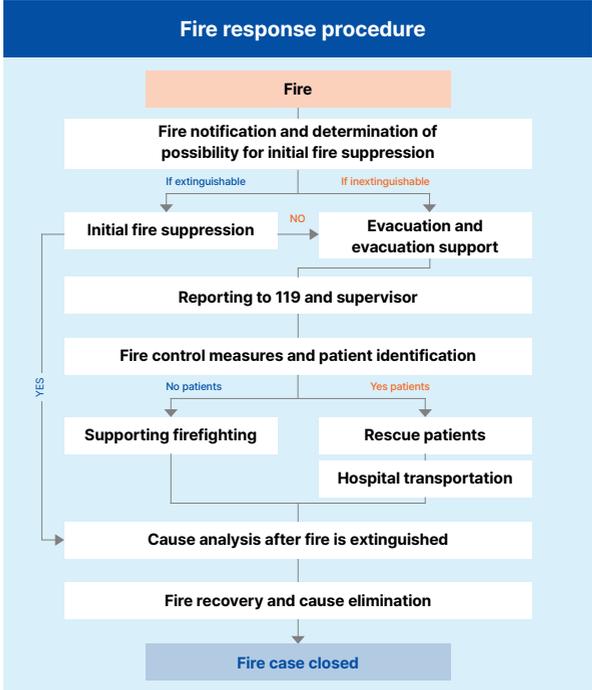
## Emergency Response System

We have developed comprehensive emergency response scenarios that classify incidents into emergencies and potential emergencies. When a hazardous situation arises, workers and safety departments are empowered to take immediate action at their discretion, which may include self-initiated measures, evacuation, site guidance, and work stoppage. Following the implementation of these preemptive measures, they are required to communicate the details of the risk and the outcomes to their supervisors and the safety departments. If a worker on site assesses the risk and determines that it can be effectively addressed, they are authorized to halt work. Importantly, workers are assured that they will not face any unfavorable treatment for taking such measures, thereby fostering a culture of safety awareness and encouraging prompt action in response to potential hazards.



## Emergency Response Drill

In 2023, we organized a comprehensive fire drill that involved 42 vehicles, including fire trucks, ambulances, and command vehicles, with a total participation of 345 individuals. The drill followed a structured sequence that included evacuation, patient transportation, suppression, closing meetings, and a debriefing session. This exercise enabled our self-defense fire brigade to enhance their mission-critical proficiency and improve their collaborative response capabilities with relevant authorities. As a result of the drill, we identified further improvements to better respond to emergency situations.



Emergency response drill meeting



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

Climate Change Response

EHS

**Human Rights Management** ■

Employees

Suppliers

Customers

Communities

Governance

Appendix

# Human Rights Management



### Background

Our society should be free from discrimination based on gender, age, religion, race, nationality, disability, sexual orientation, and other personal attributes. As we strive to become a global company, practicing reliable human rights management without prejudice or discrimination is fundamental.

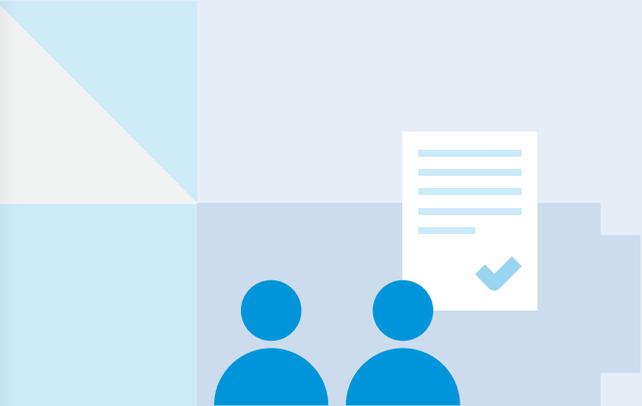
### Management Approach

EcoPro BM has established a Human Rights Management Charter, affirming our commitment to protecting and respecting the rights of all stakeholders throughout our business operations. We provide clear guidelines to support employees in making ethical decisions and sound value judgments, and we maintain a system for consulting on and resolving employee grievances. Looking ahead, we plan to implement additional initiatives to strengthen our human rights management practices.

- Human Rights Management System

### Key Performance

Declared **the Human Rights Management Charter**



# Human Rights Management System

EcoPro BM complies with international standards and guidelines for human rights and labor, including the Universal Declaration of Human Rights and the 10 Principles of the UN Global Compact (UNGC).

We will exert our utmost efforts to prevent and resolve human rights issues that may arise in our business activities.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

EHS

**Human Rights Management**

Employees

Suppliers

Customers

Communities

Governance

Appendix

## Human Rights Management Declaration

To ensure the value and dignity of all stakeholders and affirm our commitment to human rights management, EcoPro Group has declared the Human Rights Management Charter. Our endeavors for building a corporate culture to fully respect human rights are guided by the Human Rights Management Charter and the Human Rights Management Guiding Principles.

### Human Rights Management Charter

EcoPro BM declares this Human Rights Management Charter to implement human rights management actively and prevent human rights violations of all stakeholders, including employees, partners, and customers, who are affected by its business operations. For the implementation of human rights management, EcoPro BM will exert its utmost efforts to endorse and comply with international standards and guidelines relating to human rights and labor, such as the Universal Declaration of Human Rights, the UN Global Compact, the core conventions of the International Labor Organization, and the OECD Due Diligence Guidance for Responsible Business Conduct, and develop a corporate culture that respects human rights.

**First**, we put people first and respect and actively practice national and international universal norms and values regarding human rights.

**First**, we prohibit any discrimination based on nationality, gender, age, disability, sexual orientation, region, religion, and social status.

**First**, we respect the dignity and worth of our employees as human beings and ensure their human rights.

**First**, we support and work with our suppliers to practice human rights management for responsible supply chain management.

**First**, we are committed to protecting the life, health, and safety of our customers in our business activities.

**First**, we respect the human rights of local people and strive to improve their rights.

Choi Moon-ho, CEO

## Detailed Rules of Human Rights Management



## Human Rights Management Structure

For human rights management, the EcoPro holding company takes the leadership in groupwide decision-making, in working-level cooperation with each Group company's HR team. Looking ahead, we plan to build company-specific human rights management systems.

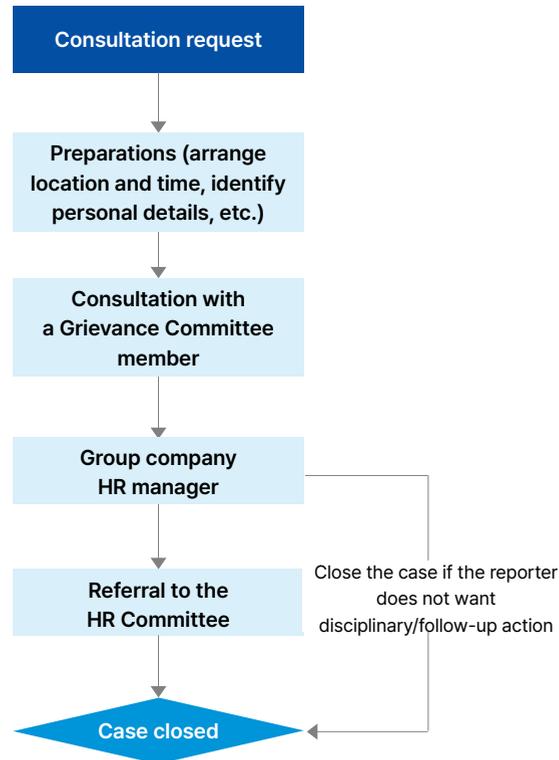


# Human Rights Management System

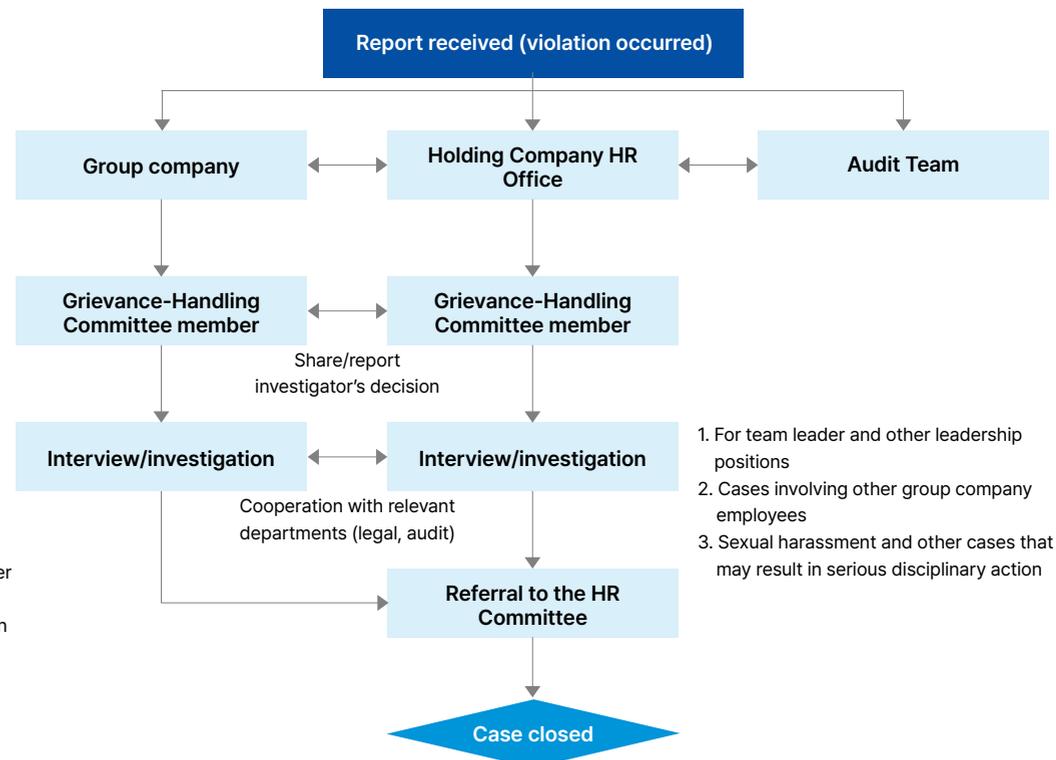
## Grievance Handling

EcoPro BM has implemented a groupwide grievance-handling system to allow employees and stakeholders to report instances of unfair conduct, grievances, and human rights violations. This system enables reports through multiple channels, including online platforms (website, email, social media) and telephone. Once a report is submitted, a responsible person is promptly assigned to ensure the case is handled professionally and efficiently. By doing so, we are committed to protecting the rights of our employees and stakeholders and improving work conditions.

### Grievance-Handling Consultation Process (general)



### Grievance-Handling Consultation Process (cases that may result in serious disciplinary action)



1. For team leader and other leadership positions
2. Cases involving other group company employees
3. Sexual harassment and other cases that may result in serious disciplinary action

## Grievance-Handling Principles

EcoPro BM prioritizes protecting whistleblowers' safety and rights. We provide accessible channels for all stakeholders to make anonymous reports, ensuring that confidentiality is strictly maintained. We guarantee that no individual will face any penalties or adverse consequences for making a report.

Anonymity guaranteed	Whistleblower protection	No adverse consequences
Open to everyone	Fast and accurate	Objection procedures

## Operation of Grievance Counseling Program

EcoPro BM offers grievance counseling programs to fully respect their rights. The counseling programs provide professional support for employees dealing with challenges such as work-related stress, mental health issues, work-life balance, or any other workplace concerns. We also ensure access to emergency counseling services when needed.

## Human Rights Management Enhancement Plan

EcoPro BM aims to enhance human rights management by taking a phased approach to the establishment of the human rights management targets and plans. In 2024, we will introduce a comprehensive human rights management system, followed by initiatives to strengthen human rights management and conduct human rights impact assessments.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

Customers

Communities

Governance

Appendix



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

- Climate Change Response
- EHS
- Human Rights Management
- Employees** ■
- Suppliers
- Customers
- Communities
- Governance

Appendix

# Employees



### Background

Attracting high-caliber talent and enhancing their quality of life is paramount in today's dynamic business environment and evolving work landscape. Equally important is fostering and safeguarding the rights of these skilled individuals, who are essential to driving the company's growth and contributing positively to societal advancement.

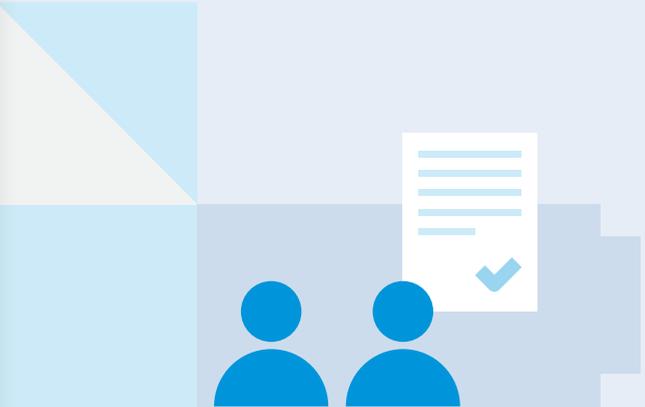
### Management Approach

EcoPro BM has established a well-structured recruitment process to ensure fair recruitment and talent management. We also strive to help our employees develop their capabilities by providing training programs.

- Human Rights Management
- Talent Development and Management
- Respectful Organizational Culture
- Sound Labor-Management Relationship
- Work-Life Balance

### Key Performance

- Overseas Training for All Employees** on the 25th Anniversary
- Onboarding Training** for Employees at Overseas Branches/Corporations
- Introduction of Flexible Work** Arrangements



Employees

# Talent Development and Management

Developing and managing top-tier talents is essential for corporate sustainability. We prioritize securing aspiring and innovative talents based on trust between the company and employees. We are committed to talent management for the mutual development of employees and the company.

## Model Talent

EcoPro BM pursues the values of challenge, trust, and change and innovation. We have established a recruitment and talent development system designed to discover and attract talents equipped with these values.



## Transparent and Fair Recruitment

EcoPro BM has structured its recruitment system to hire talented individuals through fair recruitment procedures. We apply different recruitment procedures to new hires and career positions in job suitability process, which involves presentations and position-specific screenings to ensure fairness. In full compliance with the Fair Hiring Procedure Act, we strictly prohibit any form of discrimination in the recruitment process. We also comply with diversity laws, including the Act on the Honorable Treatment of and Support for Persons of Distinguished Service to the State and the Act on Welfare of Persons with Disabilities and hire a diverse workforce regardless of disability, gender, religion, etc.

## Rational Performance Evaluation and Compensation

At EcoPro BM, employee evaluations are centered on performance to ensure compensation based on fair evaluation. Our performance evaluation system involves organizational goal setting, individual goal setting, interim evaluations, and feedback. The outcomes of these evaluations are tied to compensation such as incentives, pay rises, and promotion. We are also committed to recognizing and rewarding employees' hard work and achievements by offering overseas training opportunities, among others.

### Performance Evaluation Process



Appendix

- Climate Change Response
- EHS
- Human Rights Management
- Employees** ■
- Suppliers
- Customers
- Communities
- Governance



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Employees

# Talent Development and Management



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

- Climate Change Response
- EHS
- Human Rights Management
- Employees** ■
- Suppliers
- Customers
- Communities
- Governance

Appendix

## Talent Development Training System

We offer targeted training programs designed to enhance expertise, support employee development, and cultivate creative capabilities. These talent development initiatives are tailored to reflect external industry trends, environmental shifts, and employee needs, ensuring that participants acquire the competencies and specialized knowledge essential for their roles.

In addition, we provide opportunities for self-directed learning, such as reading and enrichment programs, allowing employees to engage in diverse educational experiences. By actively listening to employees' varied training requests, we categorize and organize essential workplace training into specialized courses. To further professionalize our workforce, we offer tiered courses—such as foundational chemistry of lithium-ion batteries and its four core components.

## Human Resources Development System

Expertise		Growth		Creativity	
Core value	Leadership	Common capabilities	Job-specific skills	Degree/global	Self-directed learning
<ul style="list-style-type: none"> <li>New hires (career operational positions)</li> <li>Open recruitment onboarding</li> <li>Statutory training</li> <li>Core value familiarization</li> </ul>	<ul style="list-style-type: none"> <li>Newly appointed executives</li> <li>Program for team leaders</li> <li>Program for persons who got promotion</li> <li>Field manager program</li> </ul>	<ul style="list-style-type: none"> <li>How to use Chat GPT at work</li> <li>Business document writing</li> <li>Problem solving/planning</li> <li>Accounting in business</li> <li>Innovative management strategy</li> </ul>	<ul style="list-style-type: none"> <li>Basic chemistry for secondary batteries</li> <li>Cell/module production/testing</li> <li>Secondary batteries and electric vehicles</li> <li>4 core materials</li> <li>Understanding secondary batteries</li> </ul>	<ul style="list-style-type: none"> <li>Degree programs for talent development</li> <li>Training programs for overseas employees in Korea</li> <li>Pre-deployment training for expats</li> <li><b>In-house language courses</b></li> <li>OPIC test-takers class for achieving target levels</li> <li>General conversation class</li> </ul>	<ul style="list-style-type: none"> <li>CAMP self-directed learning group</li> <li>Dosirak (reading education)</li> <li>Professional qualification support (operations)</li> <li>Online education</li> <li>Offsite training support</li> </ul>

## Onboarding Training for Overseas Employees at Overseas Branches/Corporate Bodies

To expand beyond the limitations of the domestic market, we are increasingly hiring local talent for our overseas operations. In 2023, we launched an onboarding program specifically for our colleagues in Hungary. This program was designed to facilitate a deeper understanding of Korean culture and EcoPro's corporate values through an eight-week, mentor-led, hands-on training. This helps foster a strong sense of belonging and enhance job comprehension.

### 8-week training

EcoPro core values	Understanding Korean culture	Korean corporate culture
Safety training	Factory process theory training	Factory process field training
	Groupware use guide	

## Innovation Contest

EcoPro organizes the annual groupwide Innovation Contest to encourage employees to pursue creativity and innovation. Launched in 2016, the contest celebrates innovations in various fields. The 2023 winners included process cost innovation, novel material development, and productivity enhancement.



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

Climate Change Response

EHS

Human Rights Management

**Employees** ■

Suppliers

Customers

Communities

Governance

Appendix

## Employees

# Respectful Organizational Culture

We are committed to building a positive workplace and fostering a creative organizational culture that empowers employees to achieve synergy in their roles. To support this, we offer a variety of programs aimed at enhancing organizational culture, instilling pride, and motivating employees, thereby encouraging meaningful and positive changes in their work lives.

### Compliment and Appreciation Campaign

EcoPro BM organizes special events to celebrate Lunar New Year and Korean Thanksgiving with a focus on fostering a culture of gratitude and recognition among employees. Employees are encouraged to praise colleagues who have excelled in their work or express gratitude through thank you messages to those who have been particularly helpful. These events help cultivate trust and positive relationships among coworkers by highlighting beautiful stories of appreciation. We will continue with this campaign to create a positive work environment with compliment and appreciation.

### Overseas Training for All Employees on the 25th Anniversary

In celebration of EcoPro's 25th anniversary, all employees across the Group were invited to participate in an overseas training program. This three-day, five-night itinerary was designed to immerse participants in programs focused on change and innovation, global culture, advanced infrastructure, and vision sharing. The initiative was highly appreciated, as evidenced by an impressive satisfaction rating of 4.6 out of 5. This overseas training significantly enhanced their sense of loyalty to the company.



### Dancing Book Cafe

As part of its commitment to fostering a comfortable work environment, EcoPro BM operates an in-house café known as the Dancing Book Café.



# Sound Labor-Management Relationship

To guarantee the rights of employees, EcoPro BM strives to facilitate communication between the employer and employees and pursue mutually beneficial partnership. We discuss topics related to work environments with them and listen to their grievances in the pursuit of business growth and employee happiness.

### Family Council

To promote the welfare of employees and the sound development of the company, EcoPro BM has organized the Family Council that involves both employee and employer representatives. The Family Council is a collaborative body consisting of seven employee representatives and seven employer representatives. The council convenes quarterly to discuss key matters such as institutional improvements and employee welfare.

### Key Agenda in 2023

Agenda	Discussions
Q1	Corporatwide workshop, etc.
Q2	Progress on changes in shifts, etc.
Q3	Commuter shuttles, inhouse daycare center operations, etc.
Q4	Anniversary holiday, etc.





About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

- Climate Change Response
- EHS
- Human Rights Management
- Employees** ■
- Suppliers
- Customers
- Communities
- Governance

Appendix

## Employees

# Work-Life Balance

EcoPro BM is dedicated to enhancing employee welfare to promote stability and enable a deeper focus on their work. Our comprehensive welfare programs span housing, health, education, and leisure, supporting employees in their pursuit of a better quality of life.

### Welfare and Benefits

EcoPro BM has a range of employee welfare and benefit programs to ensure employees' work-life balance and motivation at work. These range from housing subsidies and child tuition to family event assistance, healthcare, and cultural life.

#### EcoPro BM's Employee Welfare Programs



Housing subsidies



Child tuition



Daycare center



Family event



Health promotion programs



Leisure support



Club activity support



Welfare points

### Employee Welfare Fund

At EcoPro Group, the Employee Welfare Fund serves as a key resource for employee welfare. The Employee Welfare Fund Council listens to employee needs and designs various welfare programs to make a good place to work.

#### Maternity Protection Program

In response to social challenges such as the declining birthrate, we organized work-life balance training for our employees. This program was designed to support working parents by helping them develop effective childcare skills and alleviate the stresses of parenting through mindfulness practices.

#### Flexible Work Arrangements

EcoPro BM has implemented flexible work arrangements to enable employees to adjust their commuting times according to their needs. This initiative includes a "quarter-day leave" system, allowing employees to take short leave for personal matters. By promoting these flexible options, we encourage employees to manage their time effectively.

#### Encouragement of Vacation Use

We have introduced the "Plus Three Days Off" system to motivate employees to use their annual leave fully. This initiative encourages employees to extend their time off by combining their entitled leaves with weekends, effectively providing them with nine consecutive days off. By promoting this approach, we aim to enhance employees' quality time with their families and support their overall work-life balance.



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

Climate Change Response

EHS

Human Rights Management

Employees

**Suppliers** ■

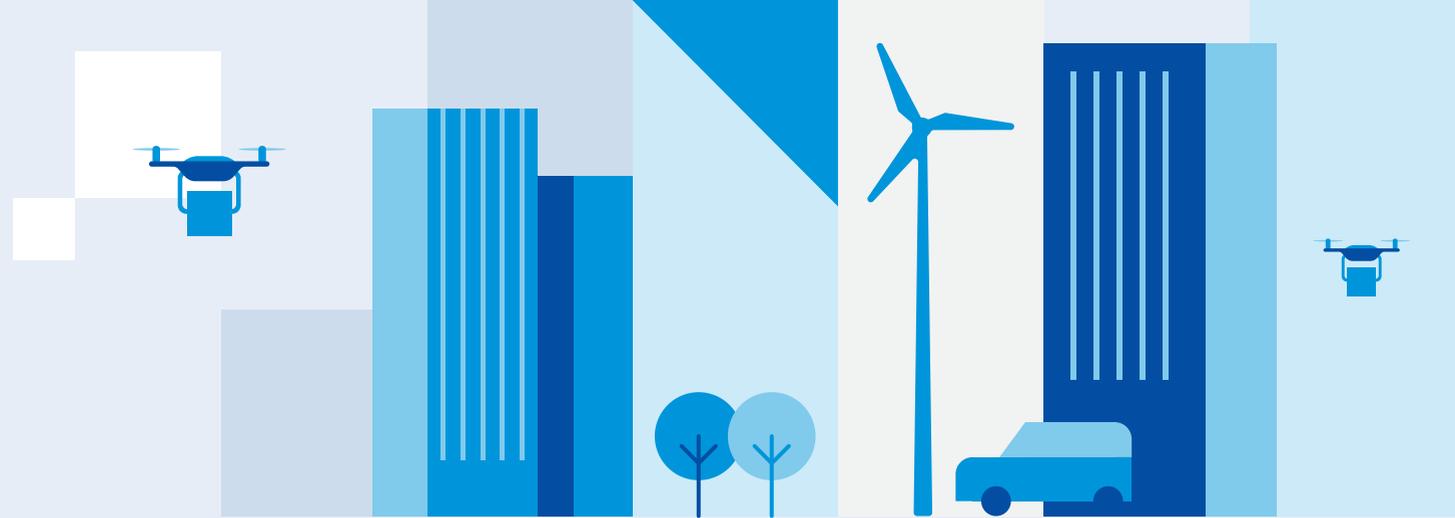
Customers

Communities

Governance

Appendix

# Suppliers



## Background

Illegal mining in conflict-affected and high-risk areas, such as the Democratic Republic of Congo and surrounding regions, remains a significant concern. With increasing emphasis on responsible minerals and the critical need for ethical sourcing, companies now have an important opportunity to take on a leadership role in promoting responsible practices.

## Management Approach

EcoPro BM has strengthened its sustainable supply chain policy through a structured and systematic supply chain management framework. We have also enhanced employees' understanding of supply chain through training. By transparently disclosing the results of our supply chain risk assessments and management efforts, we are contributing to the development of a resilient industrial ecosystem.

- Responsible supply chain
- Supply chain risk management
- Shared growth

## Key Performance

Established and distributed the **Supplier Code of Conduct**

Published **the Responsible Minerals Report**

Conducted supplier **ESG evaluations**





About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

- Climate Change Response
- EHS
- Human Rights Management
- Employees
- Suppliers** ■
- Customers
- Communities
- Governance

Appendix

Suppliers

# Responsible Supply Chain

EcoPro BM acknowledges the social and environmental challenges linked to the mining, processing, and transportation of minerals used in its operations. To this end, we fully comply with international standards including the OECD Due Diligence Guidance and strive to solidify control over the minerals supply chain to ensure transparency and traceability. In addition, we disclose details on our efforts for sustainable supply chain management, ranging from supply chain intelligence, risk assessment, improvement task development and implementation, and monitoring, by publishing annual reports.

## Responsible Supply Chain Policy

EcoPro BM has implemented a Responsible Supply Chain Policy to ensure that the sourcing of minerals complies with the OECD Due Diligence Guidance. In addition to the 3TGs (tin, tantalum, tungsten, and gold), which are commonly recognized as conflict minerals, we have identified cobalt, nickel, lithium, manganese, and aluminum as responsible minerals critical to the manufacturing of secondary batteries. We require all of our suppliers to adhere to a responsible supply chain policy aligned with international guidelines and disclose annual supply chain due diligence results and relevant activities.

### Risks mentioned in the OECD Due Diligence Guidance Annex II

Risk	Details
	Torture, cruel, inhumane, and degrading treatment
	Forced or compulsory labour
Serious abuses associated with the extraction, transport, or trade of minerals	Child labor
	Sexual violence
	War crimes, violations of international humanitarian law, crimes against humanity, genocide
Direct or indirect support to non-state armed groups	Illegal control of mine sites or transportation routes, illegal extortion of money along access routes and to intermediaries
Public or private security forces	-
Money laundering	Solicitation of bribes to conceal or disguise material origin, misrepresentation, taxes, fees, and royalties
Payment of taxes, fees, and royalties to governments	Non-payment of taxes, fees, and royalties due to governments

1) RMI: Responsible Minerals Initiative  
 2) IRMA: Initiative for Responsible Mining Assurance; an internationally recognized mining certification body dedicated to socially and environmentally responsible mining practices

## Responsible Minerals Management Structure

EcoPro BM is part of the Task Force on Responsible Minerals Management, which includes participation from all battery-related EcoPro Group companies. This task force holds regular weekly meetings to monitor the status of supply chain due diligence management, identify challenges, and share the latest international trends and information. It ensures that EcoPro promptly reflects international regulations and standards in its responsible minerals management system.



## Responsible Minerals Training

To enhance the understanding of responsible minerals management among teams involved in sourcing, EcoPro BM offers specialized training programs. These programs focus on key international frameworks such as the OECD Due Diligence Guidelines, and best practices from organizations such as the RMI<sup>1)</sup> and the IRMA<sup>2)</sup>. In 2023, 82 employees participated in the training. In addition, we have established a weekly task force, primarily involving procurement personnel from battery-related Group companies, to stay updated on the latest international trends and supply chain due diligence practices, improving our supply chain management's responsiveness. Going forward, we aim to broaden the scope and target of these training programs to embed further the principles of responsible mineral management across the company.

Suppliers

# Supply Chain Risk Management

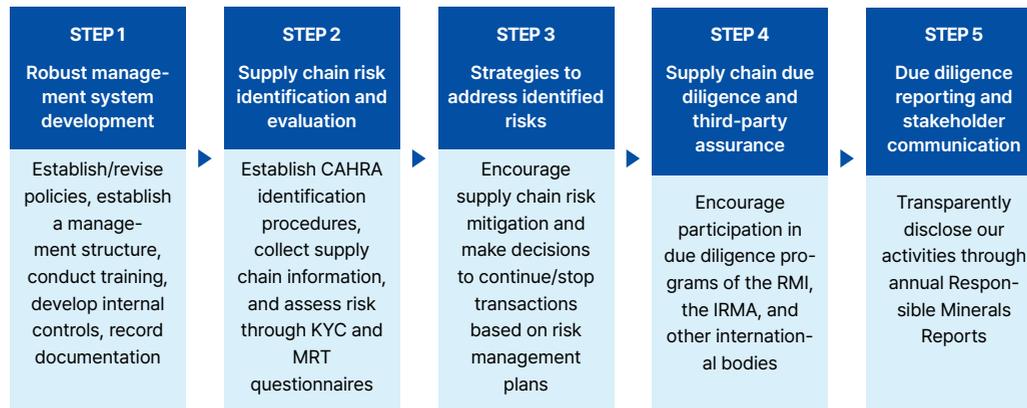
In line with the Responsible Minerals Management System, EcoPro BM conducts thorough due diligence on its suppliers to ensure they are free from human rights violations, environmental harm, and money laundering throughout the supply chain. In 2023, EcoPro BM enhanced its policies and procedures based on findings from the RMI<sup>1)</sup> and DAP<sup>2)</sup> assessments. We have also strengthened the risk management establishing and distributing the Supplier Code of Conduct and applying a stricter process to identify CAHRA.

## Supply Chain Risk Management Process

EcoPro BM utilizes internationally recognized qualitative and quantitative indicators to identify Conflict-Affected and High-Risk Areas (CAHRAs<sup>3)</sup>) with elevated potential for conflicts and human rights violations. Each year, we gather supply chain information by conducting KYC<sup>4)</sup> and MRT<sup>5)</sup> questionnaires with our suppliers, assessing risk factors through both written and on-site due diligence. Assessment results are reported to management, where mitigation plans are developed and implemented based on the identified risk level.

### Risk Identification Activities

Direct and indirect suppliers of secondary battery materials to EcoPro Group companies have been categorized as high-risk and low-risk suppliers. Fifty-two suppliers were evaluated, with four identified as high risk and 48 identified as low risk. Based on the results, we made the decision to terminate and not renew a contract with a Russian nickel mine due to the inability to implement risk mitigation measures as a result of force majeure related to war.



1) RMI: Responsible Minerals Initiative  
 2) DAP: Downstream Assessment Program by the RMI  
 3) CAHRA: conflict affected and high-risk area  
 4) KYC: Know Your Counterparty, a documented due diligence questionnaire to gather basic information on the supply chain  
 5) MRT: Mineral Reporting Template, a documented due diligence questionnaire developed by the RMI to collect information on the origin and transportation of minerals  
 6) IRMA: Initiative for Responsible Mining Assurance (an internationally recognized mining certification body dedicated to socially and environmentally responsible mining practices)

## Supply Chain Risk Evaluation for EcoPro Group Companies

	Smelters/primary refineries		Secondary refineries		Total	
	High risk	Low risk	High risk	Low risk	High risk	Low risk
Cobalt	4	6	0	6	4	12
Nickel	0	12	0	6	0	18
Lithium	0	12	0	6	0	18

\* Further details can be found in our Responsible Minerals Report.

### Management through the Internal Control System

EcoPro BM has implemented a robust internal control system to enhance supply chain management, focusing on efficient communication, grievance handling, and ensuring transparency and traceability throughout the supply chain. Through our traceability management system, we record all supply chain data, monitor the status of warehousing, raw materials, and track product transaction history. To promote human rights and environmental protection across the supply chain, we have shared our Responsible Supply Chain Policy and Supplier Code of Conduct with our suppliers. By applying strict standards, we proactively prevent and manage potential supply chain risks, taking decisive actions such as contract termination if necessary. We maintain a comprehensive database of all communication records and invoices for at least ten years, allowing for verification at any time. In addition, we avoid cash transactions to enhance transparency and accountability.

### Risk Improvement Activities

EcoPro BM conducts comprehensive supply chain risk assessments and implements mitigation measures according to the identified risk levels. We maintain business relationships with suppliers who take specific, measurable corrective actions. However, if a significant risk is detected, we may temporarily suspend transactions, or terminate the supply agreement if the risk is deemed unmanageable. Monitoring results and progress on risk mitigation are regularly reported to management for oversight.

Starting in 2024, EcoPro BM will include third-party assessments, such as those from the IRMA or RMI, in all new contracts for the supply of responsible minerals to prevent risks proactively. To address risks linked with raw materials sourced from the DRC or CAHRA areas, we are committed to building a responsible supply chain from the mine level by encouraging our suppliers to comply with IRMA's ESG Standard for Large-Scale Industrial Mines.



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

Climate Change Response

EHS

Human Rights Management

Employees

**Suppliers**

Customers

Communities

Governance

Appendix

# Supply Chain Risk Management

## Downstream Assessment Program (DAP)

EcoPro BM is dedicated to enhancing its supply chain management system in alignment with international standards. In 2021, we participated for the first time in the RMI third-party assurance program, the DAP, to assess alignment between our internal supply chain management system and the OECD Due Diligence Guidance. By 2023, we completed a third round of improvements based on these assessments. The evaluation identified 12 non-conformities related to supply chain transparency, supplier management, employee training, risk assessment, and risk mitigation. We have developed and implemented improvement plans to address these gaps and will continue to undertake active remedial actions. Our next participation in the DAP is scheduled for 2025, during which we will ensure that our management practices are thoroughly aligned with international standards such as the OECD Due Diligence Guidance.

### DAP Evaluation Improvement Planning

Non-conformities	Findings	Improvements
<b>Supply chain transparency</b>	<ul style="list-style-type: none"> <li>Difficulty in verifying upstream smelter information from direct suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Collect information across the supply chain, including mines, smelters, refineries, etc., through the MRT</li> </ul>
<b>Supply Chain Management</b>	<ul style="list-style-type: none"> <li>Recommended to adopt a formalized approach to supply chain due diligence requirements</li> </ul>	<ul style="list-style-type: none"> <li>Publish a supplier code of conduct (what suppliers are expected to do, penalties for non-compliance, etc.)</li> </ul>
<b>Employee Training</b>	<ul style="list-style-type: none"> <li>Recommended to organize training on the supply chain due diligence management system</li> </ul>	<ul style="list-style-type: none"> <li>Systematically plan training schedules for existing employees and new hires</li> <li>Enhance sector-specific training programs</li> </ul>
<b>Risk Evaluation and Mitigation Process</b>	<ul style="list-style-type: none"> <li>Recommended to better align with the OECD Due Diligence Guidance</li> </ul>	<ul style="list-style-type: none"> <li>Build robust internal systems, including assessing smelters' due diligence activities, collecting information through improved KYC and MRT, and improving risk assessment and mitigation processes</li> </ul>

## Supply Chain Management Performance and Future Plans

EcoPro BM has made significant strides in enhancing its responsible supply chain management system, including developing an improvement plan from the DAP assessment findings, reinforcing the identification process for CAHRAs<sup>1)</sup>, establishing and distributing a Supplier Code of Conduct, and creating training materials for supply chain management. Notably, we engaged an external advisor to conduct written ESG assessments of our primary mineral suppliers and shared these results with them to facilitate improvements in identified areas of weakness. Building on the DAP assessment insights and expert feedback, we are committed to further strengthening our responsible mineral management framework. We aim to expand the scope of our responsible mineral management to include battery-related minerals such as aluminum and manganese alongside nickel, cobalt, and lithium. In addition, we are assessing how the EU Battery Regulation can be incorporated into our policies to meet evolving international standards. To bolster supply chain oversight, we will introduce advanced risk assessment procedures that encompass both written and on-site due diligence, as well as implement enhanced supplier selection protocols. Our supply contracts will also be updated to require supplier participation in third-party assurance programs, such as those conducted by IRMA or RMI. Furthermore, we will offer targeted training for employees to reinforce the importance of responsible mineral sourcing.

### Timeline for responsible minerals management system development

		2022	2023	2024
<b>Responsible minerals system</b>	Training	<ul style="list-style-type: none"> <li>A training program for relevant departments</li> </ul>	<ul style="list-style-type: none"> <li>A training program for relevant departments</li> <li>Task force to disseminate the responsible minerals trends to the Purchasing Team</li> </ul>	
	Participation in the RMI <sup>2)</sup>	<ul style="list-style-type: none"> <li>RMI DAP in progress</li> </ul>	<ul style="list-style-type: none"> <li>RMI DAP third-round improvement complete</li> </ul>	
	Policy and regulations	<ul style="list-style-type: none"> <li>Establish responsible minerals management regulations and policies</li> </ul>	<ul style="list-style-type: none"> <li>Establish and distribute the supplier code of conduct</li> </ul>	<ul style="list-style-type: none"> <li>Update responsible minerals management regulations and policies</li> </ul>
<b>Responsible Minerals Report</b>	Contents	<ul style="list-style-type: none"> <li>Task force composition, regulations/policies, activities, and other disclosure</li> </ul>	<ul style="list-style-type: none"> <li>RMI participation, non-conformities, performances and tasks, improvement directions</li> </ul>	
	Significance	<ul style="list-style-type: none"> <li>EcoPro Group's first supply chain report</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to compliance with international standards</li> </ul>	

1) CAHRA: Conflict Affected and High-Risk Areas

2) RMI: Responsible Minerals Initiative; worldwide recognized organization for the establishment of global standards



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

Climate Change Response

EHS

Human Rights Management

Employees

**Suppliers** ■

Customers

Communities

Governance

Appendix

Suppliers

# Shared Growth

EcoPro BM is committed to fostering an ecosystem of shared growth with its suppliers. To support this, we maintain regular communication with suppliers to assess their needs and proactively address issues that promote mutual development. In addition, we conduct evaluations aimed at enhancing our suppliers' ESG capabilities and strengthening their competitiveness within the value chain.

## Supplier Code of Conduct

In August 2023, EcoPro BM introduced the Supplier Code of Conduct, setting forth rigorous standards for responsible business practices encompassing human rights, environment, and safety. This code aligns with prominent international frameworks, including the RBA Code of Conduct and the United Nations Global Compact (UNGC) Principles. Suppliers are required to uphold these standards to maintain business relations with EcoPro BM, with any regulatory breaches subjected to systematic review and ongoing monitoring.

### Supplier Code of Conduct

<h4>Protecting and Respecting Human Rights</h4> <ul style="list-style-type: none"> <li>• Prohibition of forced labor and human trafficking</li> <li>• Compliance with ethical recruitment practices</li> <li>• Prohibition of child labor</li> <li>• Compliance with local regulations on work hours</li> <li>• Non-discrimination in the workplace</li> <li>• Freedom of association and collective bargaining</li> </ul>	<h4>Health and Safety</h4> <ul style="list-style-type: none"> <li>• Provide a healthy and safe work environment</li> <li>• Limit employees' exposure to risks and continuously improve working conditions</li> </ul>
<h4>Ethical Management</h4> <ul style="list-style-type: none"> <li>• Zero-tolerance policy for bribery, corruption, extortion, and embezzlement</li> <li>• Disclosure in accordance with industry practices, including labor, health and safety, and environmental management</li> <li>• Privacy and intellectual property protection</li> <li>• Compliance with fair trade, advertising, and competition standards</li> <li>• Anonymous whistleblowing channels</li> <li>• Compliance with trade controls and economic sanctions</li> <li>• Responsible mineral sourcing and due diligence on the source and chain of custody of tantalum, tin, tungsten, and gold</li> </ul>	<h4>Environmental Protection</h4> <ul style="list-style-type: none"> <li>• Compliance with environmental requirements and policies</li> <li>• Minimize impact on climate change in accordance with the United Nations Framework Convention on Climate Change</li> <li>• Continuous environmental improvement by reducing emissions, increasing energy efficiency, and using renewable energy</li> <li>• Identify hazardous materials and use proper handling and control measures</li> <li>• Use recycled and renewable materials and minimize the use of hazardous substances</li> <li>• Characterize organic compounds and comply with proper operation of air pollution prevention equipment</li> <li>• Prevent illegal discharge and leaks with systematic wastewater management</li> </ul>

## Supplier Selection and Evaluation

EcoPro BM has established a well-structured system for supplier selection and registration. New supplier candidates are evaluated for their potential in project management, product planning and development, supply management, etc., in accordance with VDA6.3 P1.

### Supplier Selection Process



In addition, EcoPro BM is committed to building sustainable supplier relationships by conducting regular evaluations and addressing any emerging issues proactively. We perform both routine and special Quality Process Audits (QPA) to mitigate quality-related risks within our supply chain. Based on these assessments, we conduct a comprehensive annual evaluation of each supplier. Suppliers who demonstrate excellence are rewarded with benefits such as exemptions from regular inspections and priority in collaborative development opportunities. For suppliers needing improvement, we offer targeted guidance to help them achieve excellence.

## Comprehensive Supplier Evaluation

Category	Subcategory
T (Technology)	Number of quality, performance improvement suggestions
Q (Quality)	Recognized quality certifications, quality team IQC performance, defect track records, and regular inspection results
R (Response)	Level of cooperation in submitting documents and sharing information, level of cooperation in responding to our requests in usual business operations
D (Delivery)	Material delivery time and responsiveness
C (Price)	Cost reduction rate, price competitiveness
F (Financial)	Corporate credit rating (domestic) * ALT-Z analysis for international businesses
S (Safety)	Level of management in the area of health and safety management

1) RBA: Responsible Business Alliance; a global alliance for responsible business practices across the supply chain  
2) UNGC: United Nations Global Compact; a framework to fulfill corporate social responsibility



About This Report

CEO Message

ESG Highlights

Company Overview

### Progress on Sustainability

Climate Change Response

EHS

Human Rights Management

Employees

**Suppliers** ■

Customers

Communities

Governance

### Appendix



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

- Climate Change Response
- EHS
- Human Rights Management
- Employees
- Suppliers** ■
- Customers
- Communities
- Governance

Appendix

Suppliers

Shared Growth

**Supplier ESG Management Support**

In 2023, EcoPro BM initiated ESG assessments across its supply chain. We collaborated with a credit rating service to evaluate suppliers' ESG performance and determine ongoing partnerships based on these evaluations. For suppliers falling short, we provided targeted consulting to support improvement efforts. Notably, more than 80% of our suppliers were externally audited suppliers, surpassing the manufacturing industry's average. Room for improvement was identified in some areas, especially environmental management, and we consulted them accordingly. We plan to deliver ESG training and prioritize support for suppliers, guiding them through incremental improvements. By sharing EcoPro BM's ESG policies and regulations, we aim to empower our suppliers in adopting and enhancing their own ESG practices.

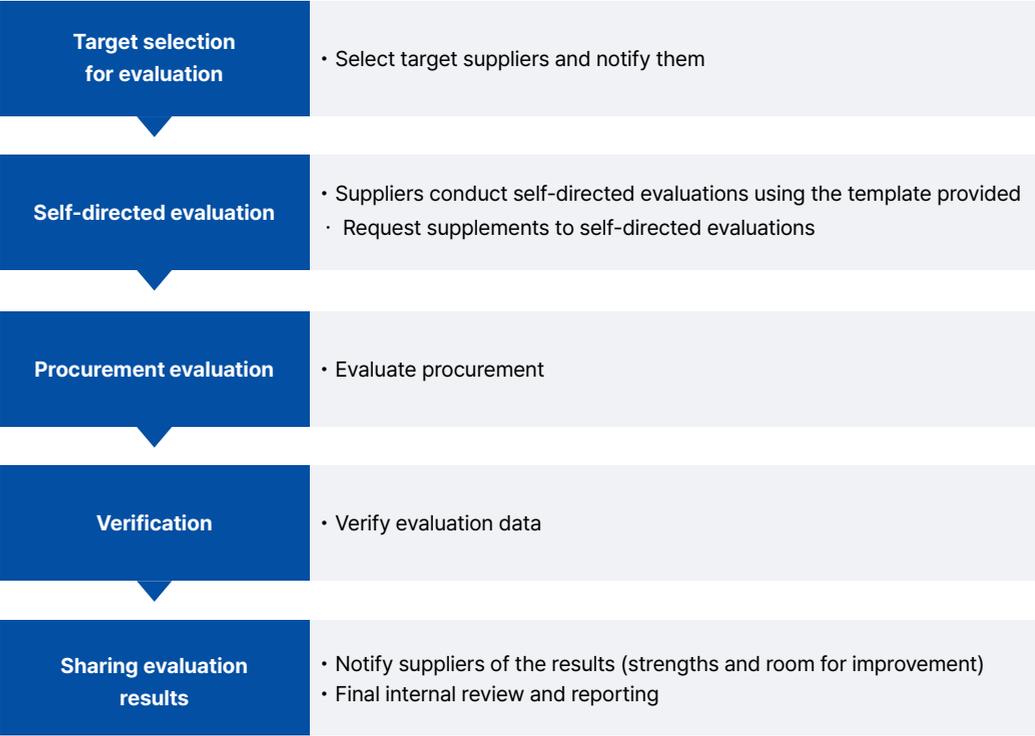
**Future Plans**



**Supplier Communication System**

The Ethics Violation Reporting Center on the EcoPro BM website serves as a key grievance-handling channel for suppliers, allowing them to report issues related to supply chain policies, due diligence, and systems. In 2023, there were no supply chain-related grievances or reports. To protect whistleblowers, we have implemented a comprehensive whistleblower protection policy and an anonymous reporting system, ensuring that whistleblowers are not subject to unfair treatment. In addition, we actively consider stakeholders' feedback on grievances to continuously improve the grievance process. We will continue to take advantage of this supplier communication channel.

**ESG evaluation process**





About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

- Climate Change Response
- EHS
- Human Rights Management
- Employees
- Suppliers
- Customers** ■
- Communities
- Governance

Appendix

# Customers



### Background

To compete with global companies and win, it is necessary to continuously compete for superior quality and satisfy customers. As risks such as cyber threats can lead to confidential information leaks and privacy breaches, thorough information protection activities must be carried out as part of customer satisfaction management.

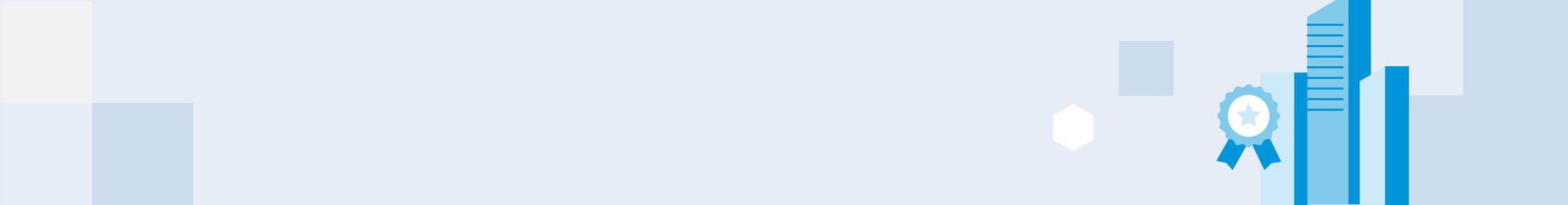
### Management Approach

EcoPro BM is committed to continuous product quality enhancement to meet customer expectations and ensure dependable quality. We have also implemented information security systems and processes to conduct comprehensive information security activities.

- Quality innovation management
- Information security

### Key Performance

- IATF 16949 Certification
- Regular **Quality Council Meetings**
- Securing** national core technologies



Customers

# Quality Innovation Management

EcoPro BM has developed a quality innovation management system to consistently deliver high-quality products and exceed customer expectations. Aligned with international standards, this quality management system is designed to rigorously manage quality across every stage of production, from raw material selection and input to packaging and final use.

## Quality Management Policy

EcoPro BM has established a quality management policy designed to foster a company-wide commitment to quality among all employees. This policy includes specific targets that translate quality goals into actionable objectives, ensuring that each team member understands their role in achieving quality excellence and embedding quality awareness into our corporate culture.

**Quality Management Policy**

To provide the best quality products to satisfy our customers and stay competitive, EcoPro BM has established the following quality policy.

<p><b>01. Customer-centered quality</b> We aim for quality that exceeds customer expectations and prioritizes customer value.</p> <p><b>02. Highest quality</b> We realize the world's best quality through advanced quality management and ceaseless quality innovation.</p> <p><b>03. Principle-driven quality management</b> We produce products in strict compliance with the standards. We guarantee quality with honesty and integrity.</p>	<p><b>04. Employee participation in quality innovation</b> All employees continuously participate in quality innovation activities to play their roles in achieving the world's best product competitiveness.</p>
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Choi Moon-ho, CEO

## Quality Management Directions

Zero customer quality issues	Proactive raw material quality assurance	Real time SPC management
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## Quality Management Governance

Top management makes the final decisions on matters related to customer satisfaction. The Quality Management Team is responsible for working-level operations and overseas quality planning and quality management system development. Clear roles and processes have been defined for each stage, including development quality, supplier quality, process quality, and customer quality, to pursue rigorous quality management.



### Quality Management System

To further improve the reliability and quality level of its products, EcoPro BM has introduced IATF 16949, an international standard quality management system, at its Ochang and Pohang sites.

<p>IATF 16949 (Ochang)</p>	<p>IATF 16949 (Pohang)</p>	<p>IATF 16949 (EcoPro EM)</p>
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About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

- Climate Change Response
- EHS
- Human Rights Management
- Employees
- Suppliers
- Customers** ■
- Communities
- Governance

Appendix

Customers

# Quality Innovation Management



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

- Climate Change Response
- EHS
- Human Rights Management
- Employees
- Suppliers
- Customers** ■
- Communities
- Governance

Appendix

## Quality Management Activities

EcoPro BM ensures rigorous quality management at each stage of the production process, from raw material input to final packaging, by adhering to established process control regulations and guidelines. If production issues occur, we follow a structured protocol for addressing defective products, including reprocessing and thorough monitoring according to our guidelines. In addition, we conduct issue occurrence meetings where monitoring results are reviewed, and improvement measures are discussed.

## Supplier Quality Management

EcoPro BM has implemented foundational principles for quality assurance with our suppliers, mandating continuous improvements in their quality management practices. We share evaluation criteria before audits and provide detailed feedback after both regular and special Quality Process Audits (QPAs). Special QPAs are conducted when specific quality concerns arise, such as 4M changes or quality nonconformities. Suppliers are required to implement quality improvements based on their regular evaluation grades. If a supplier receives a grade of C or lower as a result of a re-evaluation, they are obligated to present corrective action plans.

## Quality Risk Management

EcoPro BM evaluates the potential impact of risks on outputs in the quality system, quality analysis, customer response, process, shipment, and development management in consideration of the severity and likelihood of the risks. We analyze the causes of risks to establish countermeasures and take action.

## Customer Satisfaction

The global marketplace is demanding more detailed disclosure of environmental impact information, including the carbon footprint of products and corporate sustainability. EcoPro BM, in concert with EcoPro and other group companies, actively identifies areas requiring attention to comply with various international regulations and develops appropriate countermeasures. Notably, we are collaborating with our customers in preparation for the EU Digital Battery Passport regulation set to take effect in February 2027. This regulation aims to track and manage the life cycle and sustainability of electric vehicles and industrial batteries with a capacity of 2 kWh or more circulated within the EU. As a member of the Global Battery Alliance (GBA)<sup>1)</sup> consortium, we are committed to addressing this regulation by accurately deriving product carbon footprints based on comprehensive data throughout the entire battery life cycle, as well as tracking and analyzing process data, thereby further sharpening our competitive edge.

## Response to International Regulation

### Regulatory Frameworks

- EU Battery Regulation
- The Corporate Sustainability Due Diligence Directive (EU CSDDD)
- The Critical Raw Materials Act (EU CRMA)
- EU Conflict Minerals Regulation
- The Corporate Sustainability Reporting Directive (EU CSRD)
- Carbon Border Adjustment Mechanism
- EU taxonomy for sustainable activities
- Modern Slavery Act
- US Dodd Frank Sanction
- US Uyghur Forced Labor Prevention Act

1) Global Battery Alliance: an alliance of battery producers, raw material extraction companies, energy companies, government agencies, etc., established at the 2017 World Economic Forum.

Customers

# Quality Innovation Management

## Customer Communication and Management

To ensure customer satisfaction, we hold regular meetings to check the annual production plan and discuss relevant issues. In addition, we develop solutions to issues on an annual, monthly, quarterly, and weekly basis and strengthen communication by responding to external customer requirements as needed. We also meet regularly to discuss issues from a QCD (Quality, Cost, Delivery) perspective to ensure customer satisfaction.

<b>Regular council meetings</b>	<ul style="list-style-type: none"> <li>Review collaboration projects of the year and discuss plans for the next year</li> <li>Check major OEMs' production plans and develop supply-demand plans</li> <li>Check customer status and discuss issues</li> </ul>
<b>Cost</b>	<ul style="list-style-type: none"> <li>Hold regular meetings to discuss and develop cost reduction measures and secure market competitiveness</li> <li>Regularly discuss, validate, and promote VE measures</li> </ul>
<b>Delivery</b>	<ul style="list-style-type: none"> <li>Regular supply plan checks for FCST by customers, carriers, and suppliers</li> <li>Secure stability in supply and demand through real-time supply route risk analysis</li> <li>Strengthen direct communication by operating entity-specific hot lines</li> <li>Continuously update supply timeline</li> </ul>

## Fostering Quality Professionals

EcoPro BM is dedicated to enhancing employees' quality management skills through training programs. The quality training curriculum includes hands-on exercises that emphasize the cause-analysis and problem-solving to address quality issues, ensuring these skills translate directly to employees' daily work. In addition, we invest in specialized training for internal experts, such as the VDA 6.3 auditor certification, which bolsters internal quality management capabilities. To further mitigate risks and improve incident response, we are rolling out new training programs in FMEA and APQP<sup>1)</sup>.

Category	Quality training
QC 7 Tool	<ul style="list-style-type: none"> <li>Measures to improve quality in response to customer requests</li> <li>Quality issue analysis, improvement measures, etc.</li> </ul>
Core Tool	<ul style="list-style-type: none"> <li>APQP product/process design and development</li> <li>D-FMEA/P-FMEA promotion and maintenance</li> <li>Statistical Process Control (SPC), etc.</li> </ul>
IATF16949	<ul style="list-style-type: none"> <li>Key audit points per the IATF 16949 system requirements</li> <li>Risk-based incident and risk management</li> </ul>
FMEA	<ul style="list-style-type: none"> <li>D-FMEA/P-FMEA overview and structural analysis</li> <li>Failure analysis, risk analysis methods, etc.</li> </ul>
APQP	<ul style="list-style-type: none"> <li>APQP principles</li> <li>Phase-specific applications</li> </ul>

1) APQP: Advanced Product Quality Planning



Core Tool training



QC 7 Tool training



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

**Customers** ■

Communities

Governance

Appendix

Customers

# Information Security

EcoPro BM's cathode materials technology is designated as a national core technology. As it is linked to national competitiveness, we have established a robust information security system and operate various programs to protect the information of stakeholders including customers.

## Information Security System

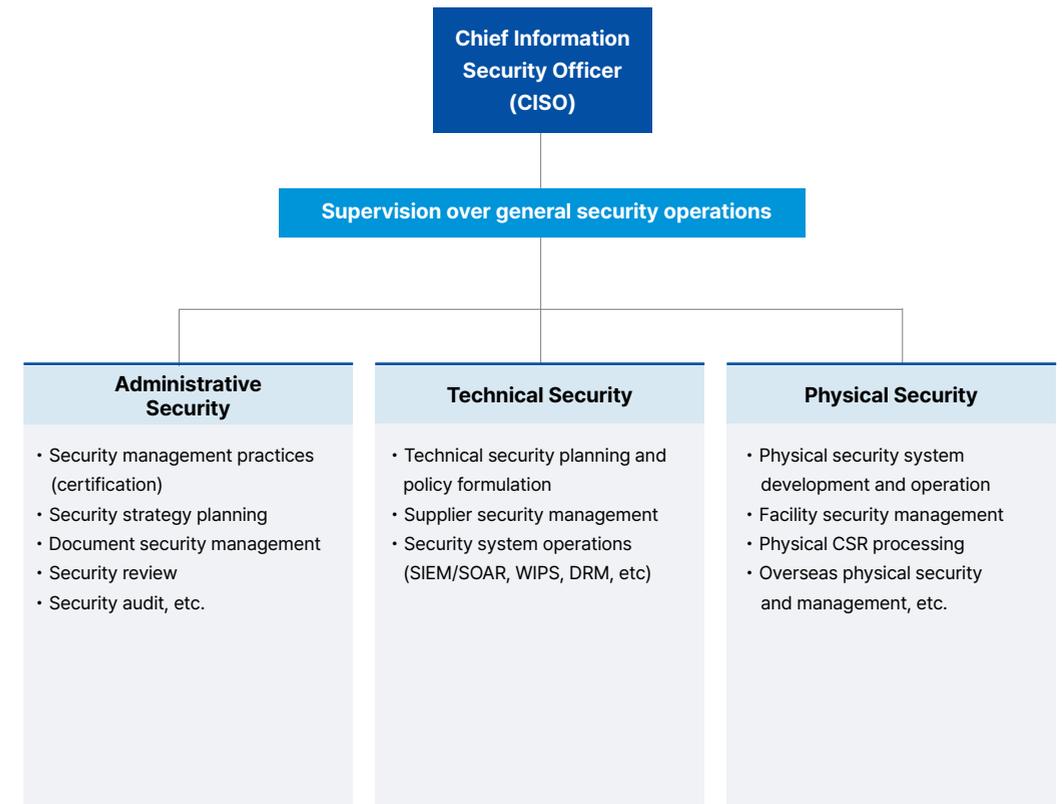
EcoPro BM has developed a comprehensive information protection system and detailed rules that address multiple dimensions of information security, including administrative, physical, and technical safeguards, as well as security for national core and advanced strategic technologies, and privacy protection.

We continuously update our information security regulations, ensuring our system remains robust and effective in safeguarding sensitive information.

Information Security Policy		
<p><b>Administrative Security</b></p> <ol style="list-style-type: none"> <li>1) Information security organization and roles</li> <li>2) Information security planning</li> <li>3) Asset management</li> <li>4) Document management</li> <li>5) Personnel identification</li> <li>6) Information security training</li> <li>7) Security breach control</li> <li>8) Security checks</li> <li>9) Security reviews</li> <li>10) Supplier security</li> </ol>	<p><b>Physical Security</b></p> <ol style="list-style-type: none"> <li>1) Protected area designation and control</li> <li>2) ID badges</li> <li>3) Vehicle access control</li> <li>4) Office security</li> <li>5) Equipment security</li> <li>6) Entry and exit security</li> <li>7) Surveillance</li> </ol>	<p><b>Technical Security</b></p> <ol style="list-style-type: none"> <li>1) Access control</li> <li>2) System management</li> <li>3) Communication and security operation management</li> <li>4) Personal computer equipment management</li> <li>5) Media security</li> <li>6) Development security</li> <li>7) Vulnerability checks</li> <li>8) Backup management</li> <li>9) Log control</li> <li>10) Industrial control system (ICS) security</li> </ol>
<p><b>National Core and Advanced Strategic Technology Security Management</b></p> <ol style="list-style-type: none"> <li>1) Detailed rules for national core and advanced strategic technology security</li> <li>2) Asset management for national core and advanced strategic technology</li> <li>3) Organization for national core and advanced strategic technology security</li> <li>4) Response system for leakage of national core and advanced strategic technologies</li> <li>5) Security training for national core and advanced strategic technologies</li> <li>6) Transfer of national core and advanced strategic technologies</li> </ol>	<p><b>Privacy Protection</b></p> <ol style="list-style-type: none"> <li>1) Personal information protection management system</li> <li>2) Safeguards for the collection, use, and provision of personal information</li> <li>3) Measures to ensure the reliability of personal information</li> </ol>	

## Information Security Governance

EcoPro BM has appointed a Chief Information Security Officer (CISO) to oversee our dedicated information protection organization. In addition, we have appointed administrative, technical and physical security officers to ensure the effective and structured implementation of information security activities.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

**Customers** ■

Communities

Governance

Appendix

# Information Security

## Information Security Activities

EcoPro BM places a high priority on information security and has implemented robust programs to enhance both internal and external cybersecurity capabilities. We have developed a comprehensive management system that addresses multiple facets of security, including technical defenses, physical security, and protection of national core technologies, and we proactively identify vulnerabilities through regular security campaigns and mock drills, which allow us to pinpoint areas for improvement. In addition, we continuously update our information security guidelines and share them with employees to help internalize safe practices across the organization.



### Management System

- Define security organization, committees, and roles (four areas)
- Create and revise security policy and guidelines (one policy, five detailed rules)
- National core technology audits (three audits)
- Overseas (Hungary and Canada) security management systems
- Information security disclosures, etc.
- Online and offline security training and security campaigns



### Physical Security

- Designate key protected areas and update instructions
- Security guard operations at our Ochang site, security system, and guard operations at the Seoul Office  
Five post-system for physical security at Ochang (X-ray, speed gate, etc.)
- Perimeter security, establishment of separated CCTVs network



### Technical Security

- IT infrastructure infiltration drills and vulnerability assessment
- Cyber crisis response mock drills
- Eight security systems (watermark, DRM, WIPs, authorized email, etc.)
- Construction of integrated security control systems (SIEM/SOAR)



### National Core Technology

- National core technology export to Hungary in process



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

**Customers** ■

Communities

Governance

Appendix



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

- Climate Change Response
- EHS
- Human Rights Management
- Employees
- Suppliers
- Customers
- Communities** ■
- Governance

Appendix

# Communities



### Background

To make a society where no one is marginalized, mutual prosperity between businesses and communities is essential.

As a corporate citizen and member of the community, we must fulfil our responsibility and play our role in social development.

### Management Approach

At EcoPro BM, our corporate social responsibility (CSR) activities are organized and promoted across four key directions: responding to climate change, fostering future talents, creating jobs for people with disabilities and supporting their independence, and pursuing mutual prosperity with the community.

- CSR Structure
- CSR Activities

### Key Performance

CSR in the Community Recognition:  
**Five years** in a row (2019–2023)

**4,000 people** participated in Eco Green Day

Donated Mother Boxes worth  
**KRW 70 million**





About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

Customers

**Communities** ■

Governance

Appendix

## Communities

# CSR Structure

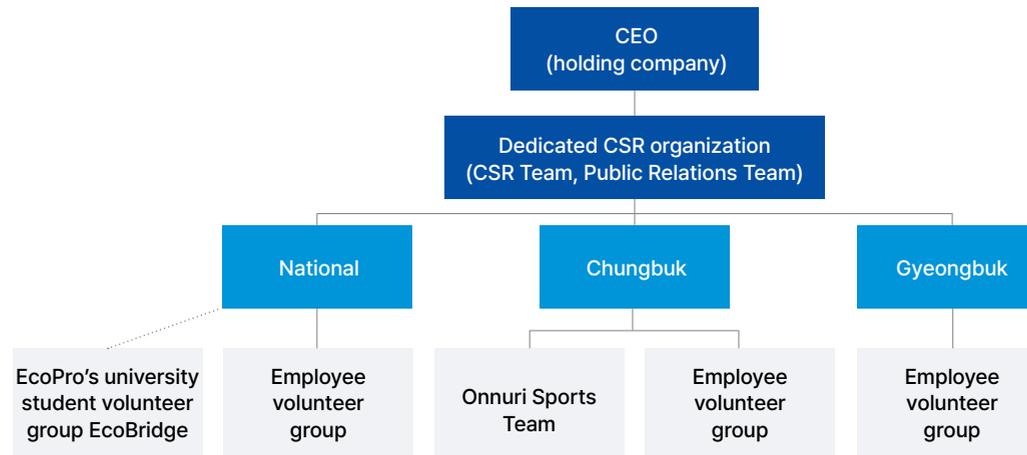
EcoPro Group is committed to mutual prosperity with the community. Therefore, we have established four directions for addressing environmental, social, and social issues and conduct CSR activities in concert with employees and local communities.

### CSR Directions



### CSR Organization

At EcoPro, the CSR organization is led by the CSR Team, which reports directly to the CEO of the EcoPro holding company, and EcoPro Materials' Public Relations Team that coordinates relevant activities. EcoPro university student volunteers and employee volunteer groups across the country provide support for our CSR activities.



# CSR Activities

EcoPro BM joins hands with other Group companies to carry out various CSR programs, actively serving the community and pursuing mutual prosperity.

### Eco-Climate Change Response

#### PM Notification Board: Particulate Matter Greenlight

We launched this groupwide project to install particulate matter (PM) notification boards in local elementary, middle, and high schools. These boards allow students and teachers to monitor PM levels and take appropriate actions. In 2023, we installed PM notification boards in five schools.

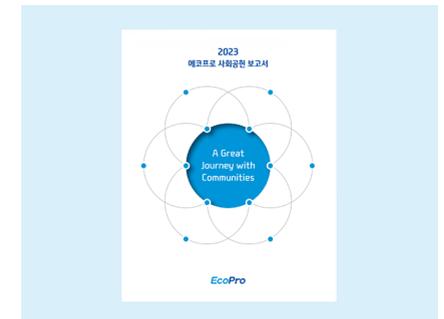
#### Children's Environmental Festival: ECO GREEN DAY

Eco Green Day is an environmental festival for children, aiming to raise children's environmental awareness. In 2023, the festival took place at Ochang Lake Park and attracted 4,000 citizens including 1,000 people directly involved in the activities.



#### Eco Walking Campaign

The Eco Walking Campaign at EcoPro BM combines employee wellness with a meaningful social impact, supporting children from vulnerable families. In 2023, 1,973 employees from Cheongju and Pohang enthusiastically joined the initiative, collectively amassing an impressive 347 million steps. These steps were converted into a donation of KRW 12 million, which was directed to assist children from underserved families.



\* These CSR activities are carried out by EcoPro Group with the commitment of all the Group companies. For more information, please refer to our CSR Report published in July 2024.  
<https://ecopro.co.kr/sub030301>

Communities

CSR Activities



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

Customers

**Communities**

Governance

Appendix

Dream – Future Talent Fostering

University Student Volunteer Group: EcoBridge

EcoBridge is a university student volunteer group that engages in various activities including environmental education, community environmental protection, environmental program planning and operations, and environmental issue media coverage. EcoBridge acts as a vital link between EcoPro and the local community, and we plan to continue with and further expand this initiative.



EV Making Club Support

EcoPro BM, in cooperation with other Group companies, is dedicated to supporting university clubs focused on nurturing students' aspirations in the secondary battery industry. Selected clubs have the chance to visit EcoPro's plants in Cheongju or Pohang.

EcoPro Book Donations

Since 2019, we have been dedicated to promoting access to education by donating books to the community. To date, the company has contributed approximately 8,000 books, striving to foster a culture where everyone has the opportunity to learn and grow.



EcoPro Scholarships

EcoPro is committed to supporting students facing social and economic challenges by providing scholarships, helping them develop professional capabilities and pursue self-development without financial challenges.

Cheer Up – Job Creation and Support for People with Disabilities

Onnuri Sports Team

We established the Onnuri Sports Team to provide athletes with disabilities in the local community with opportunities to engage in sports activities without experiencing challenges. Now the team has grown into 58 athletes competing in 11 different sports. In 2023, at the 43rd National Para Games, the team achieved remarkable success, winning a total of 52 medals. Through the Onnuri Sports Team, we remain committed to supporting athletes with disabilities.



Good-Cycling Campaign

EcoPro BM employees, with other Group company colleagues, are encouraged to participate in the Good-Cycling Campaign by donating unused clothing, books, and other items. These items go to the Goodwill Store, which employs individuals with disabilities to sort, display, and sell the donated goods to create jobs for them.



Communities

CSR Activities

Community – Shared Growth through Communication with the Community

Disaster Relief Project

EcoPro BM, along with other Group companies, actively engages in disaster relief projects annually to assist local communities affected by various disasters and accidents, including those related to climate change and the COVID-19 pandemic. We also conduct disaster relief initiatives involving our employees to foster a collective commitment to helping those in need. In 2023, we donated KRW 600 million to aid victims of the heavy rains in the Gyeongbuk and Chungbuk regions.

Donated KRW 600 million to Gyeongbuk and Chungbuk in 2023



Mother Box Project to Fight the Declining Birthrate

EcoPro BM is committed to addressing the challenges posed by the declining birthrate by providing consistent support for childbirth and child-rearing. Through the Mother Box Project, we aim to alleviate the burden of childbirth and upbringing on vulnerable families in local communities. Delivered by EcoPro BM employees, each Mother Box includes essential childcare items.

Donated KRW 70 million to 280 households in 2023



Happy Village Project

EcoPro BM, in cooperation with other Group companies and partner organizations, actively engages in facility improvement and cultural projects to support underprivileged villages in Pohang. These efforts include repairing outdated facilities, organizing cultural performances, providing meals, fitting magnifying glasses for the elderly, and painting murals.

Happy Village Project No. 24 in Pohang



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

Customers

Communities ■

Governance

Appendix

## Communities

# CSR Activities

### Community – Shared Growth through Communication with the Community/Support Projects for Vulnerable Class

#### Celebrating Holidays with Low-Income Classes

We believe that everyone in the community deserves happiness during holidays like the New Year and Korean Thanksgiving. To support this, the company helps low-income households afford their holiday meals. In 2023, EcoPro Group donated KRW 30 million, bringing the total cumulative donation to KRW 120 million. We will remain committed to sharing warmth with the whole community.



#### Year-End Matching Grant

Through the Year-End Matching Grant Program, when our employees make donations, we match their contributions, effectively doubling the donation. In 2023, 1,909 EcoPro Group employees participated in this program and donated KRW 157 million to those in need in local communities.



#### Local Culture and Arts Sponsorship

We actively participate in and sponsor local cultural events to promote the development of culture and arts in the community. We also discover and sponsor new artistic talents as part of our efforts for cultural and arts infrastructure improvement. Going forward, we will spare no efforts to vitalize culture and arts in the community.



#### Child Sponsorship

EcoPro BM is committed to supporting the growth and education of children in the community by providing financial assistance for food, snacks, tuition, and other educational expenses. EcoPro BM remains steadfast in its efforts to ensure that children have the resources they need to play and learn.



#### Providing Traffic Safety Items

EcoPro BM, with other Group companies, takes the initiative in action for children's traffic safety by producing and delivering traffic safety umbrellas to elementary schools near its operations. These umbrellas serve as a visual reminder for drivers, helping children walk safely. Looking ahead, EcoPro plans to expand this initiative by providing more umbrellas to additional schools.



#### Food Box of Love

We deliver food boxes to children and elderly people in the community facing food insecurity. We plan to continue supporting those at risk of food shortages.



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

Customers

**Communities** ■

Governance

Appendix

Communities

CSR Activities

Community – Shared Growth through Communication with the Community/Support Projects for Vulnerable Class

Beat the Heat

To help the vulnerable cope with the summer heat, EcoPro BM, along with other Group companies, donated daily necessities worth KRW 20 million to 200 households. The company is committed to continuing its efforts to support the underprivileged and improve their living conditions.



Kimchi Making for Neighbors

Each winter, EcoPro BM employees come together as a volunteer group to share warmth with the local community through our kimchi making program. In 2023, we prepared and delivered 3,150 heads of kimchi to 1,050 families in need.



Medical Expenses for the Underprivileged in the Community

To ensure access to healthcare services for economically marginalized individuals, EcoPro BM, in concert with other Group companies, supports the provision of medical services to the underprivileged, helping them maintain peace of mind even during illness. We have established memorandums of understanding with local public hospitals, under which we cover medical expenses of up to KRW 3 million for recipients of medical benefits.



Blood Donation

Every year, EcoPro BM and other EcoPro Group companies organize a blood donation campaign to support individuals at risk of not receiving medical treatment due to blood shortages. In 2023, 515 employees participated.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

Customers

Communities ■

Governance

Appendix



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

- Climate Change Response
- EHS
- Human Rights Management
- Employees
- Suppliers
- Customers
- Communities
- Governance** ■

Appendix

# Governance



### Background

Sound governance forms the backbone of sustainable growth. In today's environment, stakeholders increasingly expect companies to build an ethical corporate culture and uphold transparency through risk management practices.

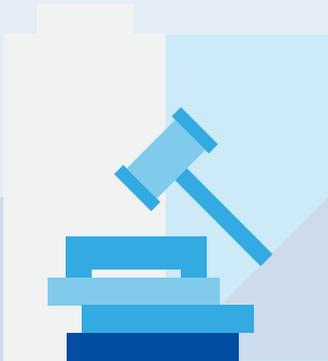
### Management Approach

EcoPro BM has built a board-centered management system to ensure the stability of corporate governance. We also proactively respond to risks that may arise in the course of corporate management and strengthen ethics and compliance management.

- Board Composition
- Board Operations
- Ethics and Compliance Management
- Integrated Risk Management

### Key Performance

- Declared **the Corporate Governance Charter**
- Strengthened Board Expertise** through the BSM
- All Employees** Signed the Compliance Commitment Letter



# Board Composition

As the highest decision-making body of EcoPro BM, the Board of Directors represents the interests of shareholders and stakeholders, overseeing and making decisions on major management issues from a long-term perspective. We aim to achieve the board-centered management by ensuring fairness and expertise in the appointment of directors.

## Declaration of Corporate Governance Charter

The Corporate Governance Charter serves as our public commitment to fair and transparent governance practices. By clearly outlining the rules and responsibilities associated with corporate governance, we strive to enhance shareholder value while fulfilling our social responsibilities to all stakeholders, including employees and suppliers.

### Preamble of Corporate Governance Charter

At EcoPro BM, we aspire to become a leading global company by fostering strong relationships with stakeholders who trust us. Our journey toward sustainable growth is guided by our core management philosophy: "We pursue change and innovation to be the best." We provide the following values to our stakeholders

01. At EcoPro, we are committed to providing customers with meaningful value and ensuring their continued satisfaction to earn their trust. Our ultimate goal is to grow and develop alongside them.  
02. We foster a fair and competitive ecosystem with our business partners, leading the way in mutual development by creating a virtuous circle of cooperation. For our shareholders, we strive to increase corporate value through consistent and sustained value delivery. In addition, we actively contribute to society by playing our part in environmental protection, job

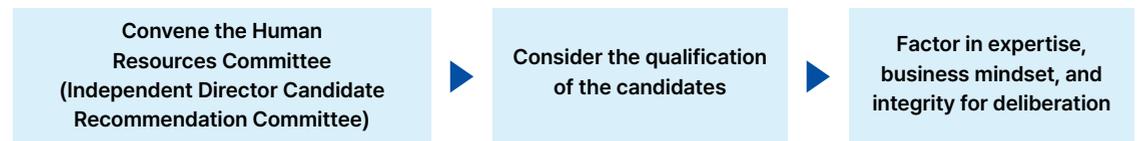
creation, improving quality of life, and supporting community initiatives, ensuring we grow together with the broader society.  
03. We are dedicated to achieving harmony and balance with our stakeholders, considering both present and future well-being for long-term sustainability.  
04. Embracing this management philosophy will significantly contribute to the company's enduring growth and development. To this end, we are committed to establishing a robust and transparent governance structure, led by our Board of Directors, and to seeking external recognition of our efforts.

As a formal commitment to sound governance and responsible business management, the Board of Directors has resolved to adopt the EcoPro BM Corporate Governance Charter.

Choi Moon-ho, CEO 

## Direct Appointment Process

We have established a fair and transparent process for the appointment of independent directors. The Human Resources Committee (Independent Director Candidate Recommendation Committee), consisting of two independent directors and an executive director, considers the qualifications and capabilities of independent director candidates and make decisions on candidates to recommend. The independent director candidates are selected in due consideration of the purpose of the appointment and their biographies and expertise.



## Board Composition

To ensure expertise of management, our Board of Directors consists of three executive directors, one non-executive director, and six independent directors. The directors' tenure is determined by the General Meeting of Shareholders within the upper limit of three years. The Board of Directors is chaired by the company's CEO, Joo Jae-hwan.

(As of March 31, 2024)

Category	Name	Gender	Career highlights	Tenure
Executive Directors	Joo Jae-hwan	Male	• (Present) CEO, EcoPro BM • M.Sc. in Chemical Engineering, Korea University	March 2022 – March 2025
	Choi Moon-ho	Male	• (Present) CTO, EcoPro BM • Ph.D. in Energy Engineering, Hanyang University	May 2016 – March 2025
	Kim Jang-woo	Male	• (Present) Head of Management Support Headquarters, EcoPro BM • EMBA, Korea University	March 2022 – March 2025
Non-executive Director	Kim Soon-joo	Female	• (Present) Head of Finance, EcoPro • MBA, Sogang University	March 2023 – March 2026
Independent Directors	Kang Ki-suk	Male	• (Present) Professor, Seoul National University Faculty of Materials Science & Engineering • Ph.D. in Materials Science and Engineering, Massachusetts Institute of Technology	March 2022 – March 2025
	Cho Jae-jeong	Male	• (Present) Standing Advisor, Min & C Llc. • Ph.D. in IT Policy and Management, Soongsil University	March 2022 – March 2025
	Shin Il-yong	Male	• (Present) CEO, Galaxia Communications • B.A. in Business Administration, Seoul National University	March 2019 – March 2025
	Oh Kyu-seob	Male	• (Present) President, Myeongjang LLC • M.A. in Administrative Law, Chungbuk National University	March 2019 – March 2025
	Lee Hwa-ryeon	Male	• (Present) CEO, Dae Hwa Construction • M.A. in Business Administration, Seoul National University	March 2022 – March 2025
	Lee Ki-hwan	Male	• (Present) Professor, Inha University Department of Financial Investment • Ph.D. in Business Administration, Kyonggi University	January 2024 – January 2027



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

Customers

Communities

Governance ■

Appendix

# Board Composition

## Independence of the Board of Directors

To ensure the independence of its Board of Directors, EcoPro BM appoints directors and operates the Board according to established regulations and policies. The Human Resources Committee (Independent Director Candidate Recommendation Committee) considers candidates' expertise in various fields and ensures their independence to effectively supervise management effectively.

## Expertise and Diversity of the Board of Directors

To ensure the decision-making underpinned by expertise in various areas including business management, accounting, finance, and law, we appoint independent directors from among experts with ample knowledge and experience. We also ensure the diversity of the Board of Directors without discrimination on the basis of gender, age, disability, or political orientation. To assess the competencies of our directors systematically, we have implemented a board skills matrix (BSM), which helps ensure that our Board members possess the necessary expertise. We also provide independent directors with additional training to develop their expertise further on request or as needed. In addition, we have established a dedicated team focused on Board operations, tasked with sharing relevant information and assisting independent directors in enhancing their expertise.

Board Skill Matrix	Executive Directors			Other Non-executive Director	Independent Directors					
	Joo Jai-hwan	Choi Moon-ho	Kim Jang-woo	Kim Soon-joo	Kang Ki-suk	Cho Jae-jeong	Shin Il-yong	Oh Kyu-seob	Lee Hwa-ryeon	Lee Ki-Hwan
Industry expertise	◎	◎			◎	◎				
Accounting and financial expertise			◎	◎		◎			◎	◎
Global business experience	◎		◎		◎		◎			◎
Leadership	◎	◎	◎							◎
Investment and capital market expertise			◎	◎						◎
Legal and public policy expertise						◎		◎		



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

- Climate Change Response
- EHS
- Human Rights Management
- Employees
- Suppliers
- Customers
- Communities
- Governance** ■

Appendix

Governance

# Board Operations

To improve the efficiency of Board operations, we have subcommittees under the Board of Directors, including the Internal Transaction Committee, Compliance Committee, Audit Committee, and Human Resources Committee. We hold regular and ad hoc board meetings to discuss major issues promptly and facilitate decision-making.

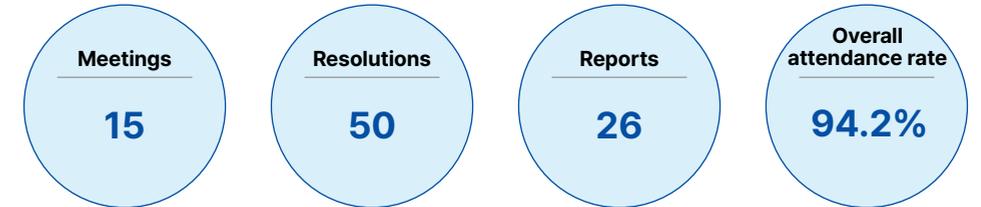
## Board Committees

The Board of Directors at EcoPro BM is structured into four subcommittees: the Internal Transaction Committee, the Compliance Committee, the Audit Committee, and the Human Resources Committee (Independent Director Candidate Recommendation Committee). Each committee includes a minimum of two independent directors with the exception of the Audit Committee, which consists entirely of independent directors. In 2023, the Internal Transaction Committee convened ten times, the Audit Committee held six meetings, and Compliance Committee met three times, demonstrating our commitment to Board-centered management practices. These committees deliberate on and discuss matters relating to internal transactions, anti-corruption, fair competition, and human rights protection, among others.

Committee	Purpose and activity	Members
<b>Internal Transaction Committee</b>	<ul style="list-style-type: none"> <li>Facilitate independent directors' management monitoring for internal control</li> <li>Review the appropriateness of transactions between affiliated companies, etc.</li> </ul>	Shin Il-yong (Chair) Kang Ki-seok Lee Hwa-ryeon
<b>Compliance Committee</b>	<ul style="list-style-type: none"> <li>Enhance transparent and compliance management</li> <li>Deliberate on compliance management policies and activities</li> <li>Monitor human rights policies and compliance, etc.</li> </ul>	Oh Kyu-seob (Chair) Cho Jae-jeong Kang Ki-Seok
<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>Audit the company's accounting</li> <li>Evaluate internal accounting practices</li> <li>Establish annual audit plans, etc.</li> </ul>	Lee Hwa-ryeon (Chair) Oh Kyu-seob Cho Jae-jeong
<b>Human Resources Committee (Independent Director Candidate Recommendation Committee)</b>	<ul style="list-style-type: none"> <li>Deliberate on CEO and director candidate recommendations</li> <li>Deliberate on ESG, Compliance Committee and other organizational arrangements</li> </ul>	Cho Jae-jeong (Chair) Shin Il-yong Choi Moon-ho

## Board Meetings and Activities in 2023

The Board of Directors at EcoPro BM conducts regular meetings once a month and convenes additional ad hoc meetings as necessary. Decisions are made with the presence of a majority of the total number of directors, requiring a majority vote from those present. However, certain critical matters as outlined in relevant laws, such as Article 398 of the Commercial Act, necessitate a two-thirds majority of the directors. To promote active participation, directors are permitted to cast their votes via telecommunication channels if they cannot attend in person.



## ESG Committee

The EcoPro holding company operates an ESG Committee under its Board of Directors, which includes one executive director and three independent directors. This committee is responsible for discussing and making decisions relating to the ESG management of the Group companies. It plays a crucial role in establishing ESG management strategies and setting mid- to long-term goals and is tasked with tracking the ESG management activities across the Group and examining matters relating to material risks. At EcoPro BM, the EcoPro ESG Committee deliberates and makes decisions on the company's ESG management.



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

- Climate Change Response
- EHS
- Human Rights Management
- Employees
- Suppliers
- Customers
- Communities
- Governance**

Appendix



About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

Customers

Communities

**Governance** ■

Appendix

Governance

# Ethics and Compliance Management

EcoPro BM is committed to fostering an ethical corporate culture grounded in robust and sound management practices. This dedication to ethical governance enables us to create sustainable value, positioning us as a company trusted and respected by diverse stakeholders. Through these efforts, EcoPro BM contributes meaningfully to improving the quality of life for all humankind.

## Code of Ethics

EcoPro BM has established the Code of Ethics that guides all employees in their business conduct and decision-making for transparent and ethical management in the areas of respect for customers, transparent management, fair competition, and fair trade.

### EcoPro BM Code of Ethics

At EcoPro (including all EcoPro Group companies), we are committed to creating value for a wide range of stakeholders—including customers, shareholders, employees, suppliers, competitors, the state, and local communities—guided by our management philosophy: “We pursue change and innovation to be the best.” Our ultimate goal is to earn trust and respect from all stakeholders while contributing to the improvement of life for humankind. To achieve this, we emphasize rigorous and sound management practices that build an ethical corporate culture and enhance corporate value through continuous innovation and growth. As a foundation of our commitment, we have established the Code of Ethics, which serves as the guiding principle for all employees' actions and decisions, and we pledge to uphold and practice this Code.

- 01. We respect our customers and strive to satisfy and impress them.
- 02. We diligently protect the investment returns of our shareholders through transparent and efficient management.
- 03. We pursue fair competition and strive to establish a sound trade order.
- 04. We build mutual trust and pursue mutual development through fair trade with our suppliers.
- 05. We comply with all laws and ethical principles and fulfill our social responsibilities through environmental protection and social contributions.
- 06. We will create an organizational culture of mutual trust and respect and maintain the dignity and honor of being a member of EcoPro.

## Directions for Ethical Management

At EcoPro BM, activities to internalize ethical management include requiring employees to sign a letter to practice ethical management, conducting ethical management evaluations, self-evaluations, ethical management training. To ensure that ethical management is practiced by all stakeholders, we require our suppliers to be in full compliance with ethics and fair trade regulations.



### Ethical Management Training

- Ethics training for all employees



### Compliance Management Practice

- Distribution of compliance management practice video and training
- Collection of the compliance management letter



### Ethical Management Self-Assessment

- Ethical management self-assessment for team leaders and higher positions



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

Customers

Communities

Governance ■

Appendix

Governance

# Ethics and Compliance Management

## Ethical Management Self-Assessment

The Ethical Management Self-Assessment at EcoPro BM is designed to evaluate the company's business activities and its influence on stakeholders. This assessment involves participation from team leaders across four areas: commitment to ethical management and strategies, ethical management organizations and systems, etc.

### Assessment Items



## Ethics and Compliance Management Practice

EcoPro BM reinforces its commitment to a culture of integrity by providing annual ethics and compliance management training for all employees. In addition to training, we collect letters of compliance management practice, to which 1,408 employees affirm their commitment to ethical standards in 2023. We will continue to conduct continuous awareness-building activities and monitoring to ensure that we comply with laws and regulations and that ethical standards are embedded in all our work.



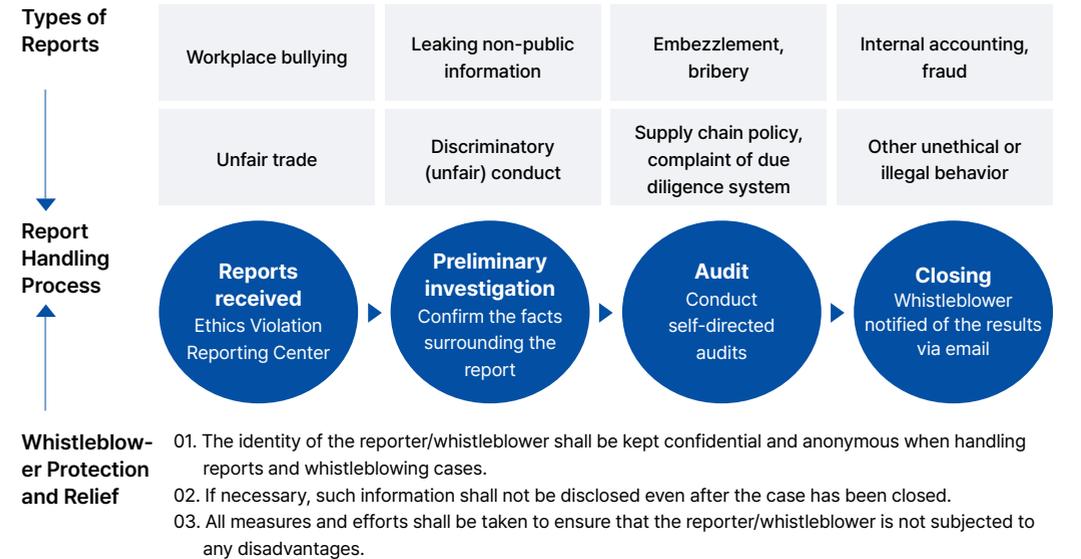
## Identifying Risks for Unfair Trade with Suppliers

EcoPro BM encourages its suppliers to practice ethical management and adopt fair trade practices. Each year, the company sends an official document to suppliers to encourage reporting for any unfair trade activities. We also ask suppliers to sign the integrity pledge as part of the contracting process to prevent unfair trade practices.



## Ethics Violation Reporting Center

At EcoPro BM, the Ethics Violation Reporting Center plays a vital role in handling unethical conduct such as unfair trade and discrimination. Once a report is received, we promptly investigate the case and take action in accordance with the process and notify the reporter of the results. In addition, we have a system to protect the whistleblower with a particular focus on relief activities for victims.



## Reports Received and Processed in 2023

(Unit: cases)

EcoPro BM	2021	2022	2023
Received and processed	12	11	38

EcoPro EM	2021	2022	2023
Received and processed	1	2	4

Governance

# Ethics and Compliance Management

## Compliance Management System

EcoPro BM has aligned its compliance management system. The Compliance Committee under the Board of Directors and the compliance organization of the EcoPro holding company play leading roles in establishing compliance rules, policies, and guidelines.

## Compliance Management Structure

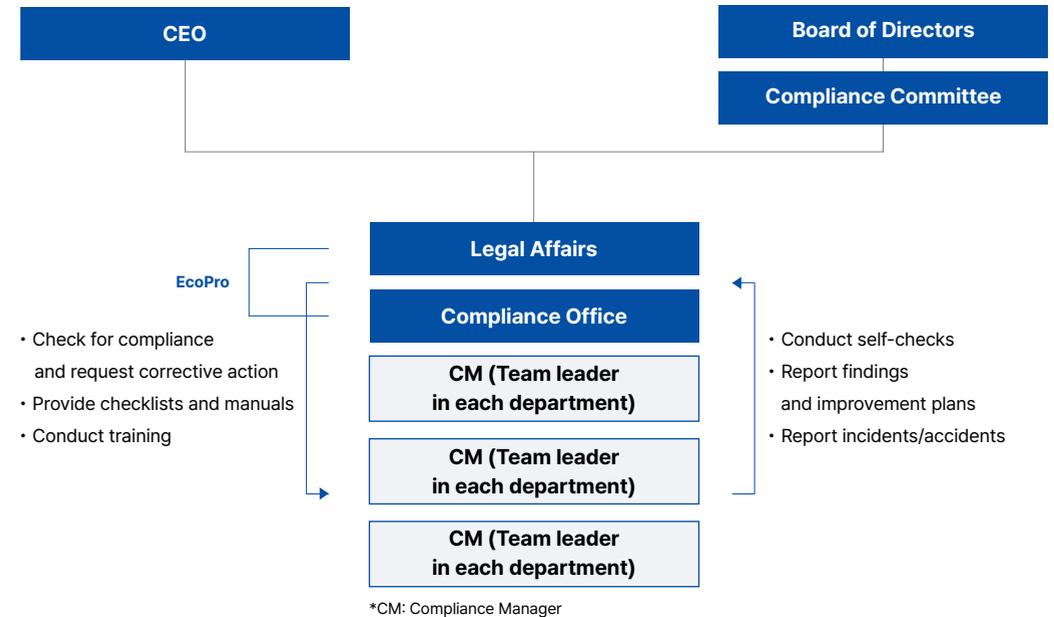


## Self-Inspection System

EcoPro BM strives to ensure that all teams work in full compliance with laws and regulations. To this end, we have developed five business manuals to inform employees of the latest regulations. We also employ self-inspections to prevent compliance issues.



## Compliance Management Governance



## Enhancement of Employees' Compliance Awareness

EcoPro BM has implemented a structured compliance management system, which includes regular compliance training for all employees to mitigate the risk of legal violations proactively. By conducting continuous annual training, the company is committed to raising employees' awareness of compliance.

About This Report

CEO Message

ESG Highlights

Company Overview

**Progress on Sustainability**

- Climate Change Response
- EHS
- Human Rights Management
- Employees
- Suppliers
- Customers
- Communities
- Governance**

Appendix

# Integrated Risk Management

EcoPro BM has established an ESG risk management system to identify, analyze, and manage risks that may affect the company's business environment in economic, environmental, and social aspects. We define area-specific financial and non-financial risks that may arise and develop countermeasures and reporting systems through evaluation and impact analysis. In addition, we actively collect external expert opinions to make decisions so that we can conduct business in a more professional and responsible manner.

## Risk Management System

EcoPro BM, in cooperation with other EcoPro Group companies, identifies the impact of risks on our business. In 2024, we plan to launch the Risk Management Committee to upgrade our risk management system further. We are also reviewing our risk management system and risk management framework to raise the level of integrated risk management.



## Risk Review Meetings

We hold monthly risk review meetings to share issues on financial risks and non-financial risks relating to ESG, and establish countermeasures. In 2023, we developed measures to mitigate risks in response to demand for climate change response and global standards. We strive to manage uncertainties effectively by monitoring risks that may arise in the mid- to long-term. We also enhance transparency by reporting and sharing issues on risk management with executives.

## Response to Risks

Category	Demand	Response
Climate Change Response	<ul style="list-style-type: none"> <li>• Global GHG reduction</li> <li>• Battery passport and other international regulations</li> <li>• Renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>• Develop carbon neutrality strategies</li> <li>• Estimate Scope 3 emissions and conduct LCA</li> <li>• Simulate financial impact of RE scenarios</li> </ul>
Global Standards Application	<ul style="list-style-type: none"> <li>• International clients and global rating agencies calling for compliance with global standards and disclosure of policies, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Create and publish policies that align with global standards</li> <li>• Identify short- and long-term tasks for internalization and establish action plans</li> </ul>
Supply Chain	<ul style="list-style-type: none"> <li>• Need to identify the gap from the five-step framework in the OECD Due Diligence Guidance</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct the DAP assessment to identify improvement tasks and develop improvement plans for non-conformities</li> </ul>
Overseas Regulations	<ul style="list-style-type: none"> <li>• Need to respond to the EU Digital Battery Passport scheme, a digital passport that tracks and manages the lifecycle and sustainability information of electric vehicles and industrial batteries with 2 kWh+ capacity circulated in the European market.</li> </ul>	<ul style="list-style-type: none"> <li>• Manage the data to track product carbon footprints based on lifecycle data through the Global Battery Alliance (GBA)</li> </ul>



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Climate Change Response

EHS

Human Rights Management

Employees

Suppliers

Customers

Communities

Governance ■

Appendix

# Appendix

Economic Performance	74
ESG Data	75
GRI Content Index	84
UN SDGs	88
SASB	89
TCFD	90
Third-Party Assurance Statement	91
Greenhouse Gas Verification Statement	92
Memberships, Certifications and Awards	96

Appendix

## Economic Performance

### EcoPro BM (consolidated)

Consolidated Financial Statements		Unit	2021	2022	2023
<b>Assets</b>	Current assets		739,143,497,291	2,274,293,401,185	2,443,491,616,196
	Fixed assets		686,714,254,647	1,099,872,977,790	1,918,282,981,555
	Total assets		1,425,857,751,938	3,374,166,378,975	4,361,774,597,751
<b>Liabilities</b>	Current liabilities		612,882,217,465	1,547,889,953,385	2,131,306,763,902
	Fixed liabilities		216,830,321,600	338,061,298,167	631,075,547,438
	Total liabilities		829,712,539,065	1,885,951,251,552	2,762,382,311,340
<b>Equity</b>	Capital stock	KRW	11,459,733,000	48,940,909,000	48,940,909,000
	Capital surplus		294,457,393,508	878,906,601,738	914,924,394,270
	Capital adjustment		21,772,390,886	10,706,182,313	20,835,548,459
	Accumulated other comprehensive income		7,248,109	(7,353,561,026)	11,432,859,506
	Retained earnings		224,002,742,753	432,243,505,289	375,341,057,003
	Non-controlling interest		44,445,704,617	124,771,490,109	227,917,518,173
	Total equity		596,145,212,873	1,488,215,127,423	1,599,392,286,411

Statement of Comprehensive Income		Unit	2021	2022	2023
Sales			1,485,628,623,826	5,357,607,238,956	6,900,867,843,535
Cost of sales			1,295,494,962,535	4,841,442,891,689	6,607,474,525,916
Gross profit margin			190,133,661,291	516,164,347,267	293,393,317,619
Operating profit	KRW		115,031,248,500	380,676,718,075	156,029,935,394
Net income before tax expenses			114,425,469,995	322,533,781,505	77,700,290,608
Net profit			97,789,788,764	272,653,525,172	54,685,871,623
Other comprehensive income			(3,321,659,660)	(5,649,489,379)	14,300,388,136
Total comprehensive income			94,468,129,104	267,004,035,793	68,986,259,759

Category	Index	Unit	2021	2022	2023
<b>Consolidated Economic Value Distribution</b>	National income tax cost (profit)		16,635,681,231	49,880,256,333	23,014,418,985
	Shareholder dividends		9,429,048,000	21,011,872,640	43,944,752,250
	Donations	KRW	528,420,018	3,347,319,851	1,094,013,974
	Labor cost	Salary <sup>1)</sup>	11,315,605,491	17,672,780,185	7,059,891,285
		Retirement benefits	1,113,229,281	1,578,775,911	2,115,553,117

1) Salary inclusive of bonuses

About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

Economic Performance ■

ESG Data

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

Appendix

ESG Data

Environmental Performance

Category	Index	Unit	EcoPro BM			EcoPro EM		
			2021	2022	2023	2021	2022	2023
Energy	Energy consumption (power)	Non-renewable energy	263,502	264,544	270,332	16,370	128,488	253,087
		Renewable energy (via KEPCO)	0	0	0	0	0	0
		Renewable energy (own facilities)	0	0	0	0	0	0
		Total	263,502	264,544	270,332	16,370	128,488	253,087
	Energy consumption (natural gas)	Non-renewable energy	874	396	381	15	125	60
		Renewable energy	0	0	0	0	0	0
		Total	874	396	381	15	125	60
	By energy source	Power	2,530	2,540	2,595	157	1,233	2,430
		Fuel	44	23	18	1	6	3
		Steam	0	0	0	0	0	0
Others		0	0	0	0	0	0	
Energy intensity	Total energy consumption	TJ	2,574	2,563	2,613	158	1,239	2,433
	Energy consumption per sales	TJ/KRW hundred million	0.17	0.08	0.08	1.33	0.06	0.06
Water resources	Water consumption	Non-renewable water	520,045	470,704	401,325	17,983	272,660	501,970
		Renewable water	0	0	0	0	0	0
		Total	520,045	470,704	401,325	17,983	272,660	501,970
	By water source	Third-party water supply (general/industry waterworks etc.)	520,045	470,704	401,325	17,983	272,660	501,970
		Groundwater	-	-	-	-	-	-
		Seawater	-	-	-	-	-	-
Surface water	-	-	-	-	-	-		

About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

Economic Performance

ESG Data ■

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

Appendix

ESG Data

Environmental Performance

Category	Index	Unit	EcoPro BM			EcoPro EM			
			2021	2022	2023	2021	2022	2023	
Greenhouse gas	Greenhouse gas emissions	Scope 1 (direct)	2,270	1,187	948	50	299	154	
		Scope 2 (indirect)	121,058	121,551	124,193	7,522	59,029	116,272	
		S1+S2 Total	123,328	122,738	125,141	7,572	59,328	116,426	
	Greenhouse gas emission intensity	GHG emissions per sales	tCO <sub>2</sub> eq/KRW hundred million	8	4	4	64	3	3
	Air pollution	Greenhouse gas emissions (Scope 3)	CATEGORY 1 (purchased goods and services)	-	-	784,658	-	-	1,480,060
			CATEGORY 2 (capital goods)	-	-	54,226	-	-	137,520
			CATEGORY 3 (fuel- and energy-related activities)	-	-	9,736	-	-	9,048
			CATEGORY 4 (upstream transportation and distribution)	-	-	9,766	-	-	19,330
			CATEGORY 5 (waste generated in operations)	-	-	204	-	-	253
			CATEGORY 6 (business travel)	-	-	714	-	-	42
			CATEGORY 7 (employee commuting)	-	-	1,352	-	-	334
			CATEGORY 8 (upstream leased assets)	-	-	-	-	-	-
			CATEGORY 9 (downstream transportation and distribution)	-	-	7,836	-	-	13,892
			CATEGORY 10 (processing of sold products)	-	-	102,961	-	-	158,671
			CATEGORY 11 (use of sold products)	-	-	-	-	-	-
CATEGORY 12 (end-of-life treatment of sold products)			-	-	-	-	-	-	
CATEGORY 13 (downstream leased assets)			-	-	-	-	-	-	
CATEGORY 14 (franchises)			-	-	-	-	-	-	
CATEGORY 15 (investments)			-	-	69,977	-	-	-	
	Total		-	-	1,041,430	-	-	1,819,150	
	NOx emissions (nitrogen oxides)		2.25	3.55	3.91	0.02	0.53	0.54	
	SOx emissions (sulfur oxides)	Tons	0.10	0.08	0.00	0.00	0.00	0.00	
	PM emissions (particulate matter)		1.90	1.64	1.52	0.04	0.60	2.66	

About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

Economic Performance

ESG Data ■

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

Appendix

ESG Data

Environmental Performance

Category	Index	Unit	EcoPro BM			EcoPro EM			
			2021	2022	2023	2021	2022	2023	
Water pollution	TOC <sup>1)</sup>		0	132	244	- <sup>6)</sup>	1,077	579	
	COD		831	778	0	- <sup>6)</sup>	-	-	
	BOD		81	276	15	- <sup>6)</sup>	-	-	
	SS	kg	1,567	998	105	- <sup>6)</sup>	679	367	
	T-N		867	481	181	- <sup>6)</sup>	604	476	
	T-P		41	30	10	- <sup>6)</sup>	11	15	
	n-H		234	61	0	- <sup>6)</sup>	-	-	
Other pollution	VOC emissions	Tons	0	0	0	0	0	0	
Hazardous chemicals	Hazardous chemicals consumption	Tons	26,182	38,389	46,541	816	66,953	122,710	
Waste	Waste generation	General waste	8,015	9,138	5,262	169	7,747	14,259	
		Designated waste	23	89	300	0	0	119	
		Total	8,038	9,227	5,562	169	7,747	14,378	
	Waste treatment	Incineration	33	0	25	0	0	0	
		Landfill	2	0	6	0	0	1	
		Neutralization	7	6	10	0	0	0	
		Recycling	7,708	9,170	5,522	169	7,747	14,378	
Green products/services	Green business sales <sup>2)</sup>	KRW hundred million	14,861	34,153	31,456	119	20,054	37,713	
Environmental training	Total training hours <sup>3)</sup>	Hours	7,814	8,150	9,740	0	96	168	
	Total number of people trained <sup>4)</sup>	People	870	912	1,203	0	4	4	
Environmental violations	Violations of environmental laws and regulations	Monetary penalty <sup>5)</sup>	Cases	0	0	0	0	0	0
		Non-monetary penalty	Cases	0	0	0	0	0	0
		Fines and administrative fines	KRW million	0	0	0	0	0	0
EHS	EHS investments	KRW million	921	2,469	10,839	0	163	447	

1) Changed water pollutant metric from COD monitoring to TOC monitoring  
 2) We are an eco-friendly business given the nature of secondary battery materials; hence, 100% of our sales counted toward eco-friendly business sales  
 3) Statutory training (area-specific statutory training for environmental engineers, statutory training for technicians, managers, inspectors handling chemicals, etc.)  
 4) Redundant counting allowed  
 5) Fines or stricter penalties (excluding administrative fines)  
 6) TMS installed at the end of 2021; data disclosed from 2022

Appendix

- Economic Performance
- ESG Data** ■
- GRI Content Index
- UN SDGs
- SASB
- TCFD
- Third-Party Assurance Statement
- Greenhouse Gas Verification Statement
- Memberships, Certifications and Awards

Appendix

ESG Data

Safety Performance

Category	Index	Unit	EcoPro BM			EcoPro EM		
			2021	2022	2023	2021	2022	2023
Safety management (employees)	Fatalities	People	0	1	0	0	0	0
	Injuries (serious)	People	0	3	1	0	0	0
	Injuries (minor)	People	2	4	1	0	0	0
	Injury rate	(%, Number of Injured / Number of Employees * 100)	0.17	0.61	0.14	0	0	0
	Major occupational accident types		Burn	Entrapment, burn, cut	Entrapment	None	None	None
Safety management (in-house)	Lost Time Injury Frequency Rate (LTIFR)	(total number of injuries) * (million hours / total hours worked <sup>1)</sup> )	0.72	2.54	0.59	0.00	0.00	0.00
	In-house supplier injury rate	%	0	0	0	0	0	0
Safety training	Total hours trained	Hours	48,466	57,193	40,624	6,204	15,975	22,248
	Total number of people trained	People	15,791	17,875	18,547	790	3,739	8,355
Safety laws and regulations violations	Violations of safety laws and regulations	Monetary penalties <sup>2)</sup>	0	1	0	0	0	0
		Non-monetary penalties	0	1	0	0	0	0
		Fines	0	1	0	0	0	0

1) All EcoPro Group companies apply the Ministry of Labor's 2,400-hour standard multiplied by the number of employees at the end of the year.

2) Fines or stricter penalties (excluding administrative fines).

About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

Economic Performance

ESG Data ■

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

Appendix

ESG Data

Social (Employee) Performance

Category	Index	Unit	EcoPro BM			EcoPro EM				
			2021	2022	2023	2021	2022	2023		
Workforce	By gender	Male, domestic (executive + regular full time)	1,047	1,192	1,303	170	349	448		
		Female, domestic (executive + regular full time)	54	72	80	9	14	17		
		Fixed term (including contract workers)	50	50	53	2	9	8		
		Total	1,151	1,314	1,436	181	372	473		
	By position	Male managers	116	125	149	9	31	36		
		Female managers	0	0	4	0	0	0		
		Total	116	125	153	9	31	36		
	Diversity	Percentage of female managers or higher positions out of all managers		0	0	3	0	0	0	
		People with disabilities		20	28	31	0	0	0	
		Foreign nationals		2	1	4	0	0	0	
Veterans		3	3	13	3	3	3			
New hires		543	353	60	73	171	141			
New hires – female		3	14	10	5	4	12			
Changes in employment	Job creation and turnover	New hires – people with disabilities	7	10	7	0	0	0		
		New hires – veterans	3	1	0	0	0	0		
		Turnover (voluntary – resignation + dismissal at request)	162	102	70	6	28	44		
		Turnover (end of contract)	8	8	28	11	17	7		
		Turnover (dehiring)	0	0	0	0	0	0		
		Dismissal	4	0	1	0	0	1		
		Average length of service (number of employees at current year end)		Year	3.0	3.1	3.4	1.7	1.6	2.0
		Total benefits cost		KRW thousand	9,239,128	16,617,738	14,272,888	639,476	3,811,014	5,532,900
Benefits cost per employee		KRW thousand / people	8,027	12,647	9,939	3,533	10,245	11,697		
Work-life balance	Employees on parental leave		People	10	11	15	0	0	0	
	Employees on parental leave and returns		Employees returned	7	5	15	0	0	0	
	Percentage of employees who have worked for 12 months or longer after returning from parental leave		%	100	100	-	-	-	-	

About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

Economic Performance

ESG Data ■

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

Appendix

ESG Data

Social (Employee) Performance

Category	Index	Unit	EcoPro BM			EcoPro EM			
			2021	2022	2023	2021	2022	2023	
Employee education and training <sup>1)</sup>	Total education and training hours	Hours	13,933	21,014	36,386	1,431	3,298	5,332	
	Employee participation	People	1,060	606	853	52	105	128	
	Compulsory training	people	298	365	485	42	73	101	
	Total cost of employee training	KRW thousand	173,493	401,400	1,797,683	31,119	82,634	582,898	
	Training cost per employee	KRW thousand/ person	151	305	1,252	172	222	1,232	
	Sexual harassment prevention	Total hours trained	Hours	394	473	835	28	70	294
		Total number of people trained	People	394	473	835	28	70	294
	Workplace bullying prevention <sup>2)</sup>	Total hours trained	Hours	-	-	835	-	-	294
		Total number of people trained	People	-	-	835	-	-	294
	Disability awareness	Total hours trained	Hours	1,033	1,354	1,405	168	348	462
Total number of people trained		People	1,033	1,354	1,405	168	348	462	
Grievance/whistleblowing <sup>3)</sup>	Ethical management violations <sup>3)</sup>	Cases	12	11	38	1	2	4	
	Average processing time	days	7.1	2.8	9.2	4.0	16.0	2.8	

1) ESG training for all employees introduced in 2024

2) Workplace bullying prevention training introduced in 2023

3) Sexual harassment and bullying in workplace / leakage of non-public information / embezzlement, bribery / internal accounting fraud / grievances relating to discrimination, unfair conduct, supply chain policy, due diligence system / other unethical or illegal conduct, etc

About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

Economic Performance

ESG Data ■

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

Economic Performance

**ESG Data** ■

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

## Appendix

# ESG Data

## Social (General) Performance

Category	Index	Unit	EcoPro BM			EcoPro EM		
			2021	2022	2023	2021	2022	2023
Shared growth	Total suppliers	Companies	369	314	321	Consolidated management with EcoPro BM		
	Core suppliers		156	162	160			
	Total purchases from suppliers	KRW million	1,574,328	4,837,183	6,909,940			
	Total purchases from core suppliers		1,555,639	4,811,589	6,864,104			
	ESG assessment	Suppliers subject to annual assessments		-	-		21	
		Annual assessments conducted	Companies	-	-		21	
Suppliers supported			-	-	2			

Appendix

ESG Data

Social (General) Performance

Category	Index	Unit	EcoPro BM			EcoPro EM		
			2021	2022	2023	2021	2022	2023
Responsible minerals	Responsible minerals suppliers		-	49	52	Groupwide integrated management		
	High-risk suppliers	Companies	-	3	4			
	Low-risk suppliers		-	14	48			
CSR	Social contribution (cash donations)	KRW	524,146,906	2,542,099,991	865,733,204	4,011,702	805,219,860	227,169,210
	In-kind donations	Cases	37	94	372	0	0	110
	Participants in talent donation and pro bono activities	People	114	203	594	28	47	143
Information security	Privacy protection (total hours trained) <sup>1)</sup>	Hours	0	0	60	0	0	0
	Privacy protection (total number of people trained)	People	0	0	15	0	0	0
	Information security (total hours trained) <sup>2)</sup>	Hours	331	1,202	1,397	0	308	454
Ethics and human rights training	Information security (total number of people trained)	People	331	1,202	1,397	0	308	454
	Total hours trained*	Hours	1,070	1,252	1,418	141	342	459
	Total number of people trained**	People	1,070	1,252	1,418	141	342	459

1) Privacy training is for data controllers; conducted for EcoPro Holding Company and EcoPro BM only.

2) Information security/privacy training have been separated since 2023.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

Economic Performance

ESG Data ■

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

Appendix

ESG Data

Governance

Category	Index	Unit	EcoPro BM		
			2021	2022	2023
Board operations <sup>1)</sup>	Meetings held	Times	28	22	15
	Resolutions		33	68	50
	Reports	Cases	2	4	26
Board composition	Executive directors		3	5	4
	Independent directors	People	3	2	2
	Auditors / Audit Committee <sup>2)</sup>		1	3	3
Board compensation <sup>3)</sup>	Registered directors (excluding independent directors and Audit Committee members)		1,076	1,771	2,346
	Independent directors (excluding Audit Committee members)		150	105	125
	Audit Committee members	KRW million	-	121	188
	Auditors		79	40	-

1) EcoPro BM notifies the Board of Directors on the agenda items three weeks prior to the convening of the Board of Directors and reminds them three days in advance to consider each agenda item before proceeding with the Board resolution.

2) Renamed Audit Committee in 2022

3) Total compensation amount

About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

Economic Performance

ESG Data ■

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

Appendix

# GRI Content Index



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

**Appendix**

Economic Performance

ESG Data

**GRI Content Index**

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

<b>Statement of use</b>	EcoPro BM has reported in accordance with the GRI Standards for the period[Business activities from January 1, 2023 to the publication of this Report in 2024]
<b>GRI 1 used GRI 1</b>	Foundation 2021
<b>Applicable GRI Sector Standard (s)</b>	N/A

Topic	GRI Disclosure	Page (s) in this Report	Remarks		
<b>GRI 2: General Disclosures 2021</b>					
GRI 2: The organization and its reporting practices	2-1	Organizational details	2		
	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	37, 78, 79		
	2-5	External assurance	91		
	2-6	Activities, value chain, and other business relationships	8, 11-13, 15		
	GRI 2: Activities and workers	2-7	Employees	79	
		2-8	Workers who are not employees	-	Subject to groupwide management; as of the end of June 2024, 93 people have been stationed at EcoPro BM (Ochang) who are employees of in-house contractors.
		2-9	Governance structure and composition	66	
		2-10	Nomination and selection of the highest governance body	66	
	GRI 2: Governance	2-11	Chair of the highest governance body	66	
		2-12	Role of the highest governance body in overseeing the management of impacts	66-68	For more information, including our sustainability reporting agenda, please refer to our Business Report.
		2-13	Delegation of responsibility for managing impacts	16, 66	
		2-14	Role of the highest governance body in sustainability reporting	16, 66-68	
2-15		Conflicts of interest	-	Omission (confidentiality constraints) We prevent conflicts of interest among directors in accordance with the Board of Directors' Regulations. Any conflicts of interest among directors are disclosed to stakeholders in business reports.	
2-16		Communication of critical concerns	66-68		
2-17		Collective knowledge of the highest governance body	67		
2-18		Evaluation of the performance of the highest governance body	-	Omission (confidentiality constraints) We pay equal wages.	
2-19		Remuneration policies	Business Report 289-290		
2-20		Process to determine remuneration	Business Report 289-290		
GRI 2: Strategy, policies, and practices	2-21	Annual total compensation ratio	-	Omission (confidentiality constraints) We do not disclose our compensation ratios for confidentiality reasons.	
	2-22	Statement on sustainable development strategy	4-5		
	2-23	Policy commitments	16, 29, 40, 48, 51, 54, 66		
	2-24	Embedding policy commitments	16, 29, 40, 48, 51, 54, 66		
	2-25	Processes to remediate negative impacts	41		
	2-26	Mechanisms for seeking advice and raising concerns	41		
	2-27	Compliance with laws and regulations	Business Report 306	We report the status of sanctions from investigative, judicial, and administrative agencies in our business report.	
	2-28	Membership associations	96		
	GRI 2: Stakeholder engagement	2-29	Approach to stakeholder engagement	17	
		2-30	Collective bargaining agreements	45	

Appendix

# GRI Content Index



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

**Appendix**

Economic Performance

ESG Data

**GRI Content Index**

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

Topic	GRI Disclosure	Page (s) in this Report	Remarks	
<b>GRI 3: Material Topics 2021</b>				
GRI 3: Disclosures on material topics	3-1	Process to determine material topics	18	
	3-2	List of material topics	19	
<b>Quality Management and Technological Innovation</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	54-56	
<b>Investments in Future Growth</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	15	
<b>Ethics and Anti-Corruption Activities</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	69-71	
	205-1	Operations assessed for risks related to corruption	-	
	205-2	Communication and training about anti-corruption policies and procedures	70	
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	70	
Own index	-	Ethics and compliance management practice	70	
<b>Climate Change Response</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	22-25	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	22	
	302-1	Energy consumption within the organization	75	
GRI 302: Energy 2016	302-2	Energy consumption outside of the organization	75	
	302-3	Energy intensity	75	
	302-4	Reduction of energy consumption	75	
	302-5	Reductions in energy requirements of products and services	-	
	302-5	Reductions in energy requirements of products and services	-	Sensitive information; no separate disclosure made.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	76	
	305-2	Energy indirect (Scope 2) GHG emissions	76	
	305-3	Other indirect/ (Scope 3) GHG emissions	76	
	305-3	Other indirect/ (Scope 3) GHG emissions	76	EcoPro Group has estimated and verified its Scope 3 GHG emissions from 2023.
	305-4	GHG emissions intensity	76	
	305-5	Reduction of GHG emissions	76	
	305-6	Emissions of ozone-depleting substances (ODS)	-	We do not use ozone depleting substances (ODS).
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	33, 76		

Appendix

# GRI Content Index



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

## Appendix

Economic Performance

ESG Data

**GRI Content Index**

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

Topic	GRI Disclosure	Page (s) in this Report	Remarks
<b>Environmental and Safety Responsibility for Chemicals</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	36	
Own index	Use of harmful chemicals	77	
<b>Resource circulation and circular economy</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	11, 32-33	
	306-1 Waste generation and significant waste-related impacts	32	
	306-2 Management of significant waste-related impacts	32	
GRI 306: Waste 2020	306-3 Waste generated	32, 77	
	306-4 Waste diverted from disposal	32, 77	
	306-5 Waste directed to disposal	32, 77	
<b>Work Environment Improvement for Work-Life Balance</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	46	
	401-1 New employee hires and employee turnover	-	Sensitive information; no separate disclosure made.
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	46, 79	EcoPro Group offers the same benefits to all employees; we also follow the same practice.
	401-3 Parental leave	79	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A	No relevant operations or suppliers.
<b>Workplace Safety and Health Management</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	29-31, 35-38	
	403-1 Occupational health and safety management system	29-30	
	403-2 Hazard identification, risk assessment, and incident investigation	35	
	403-3 Occupational health services	37	
	403-4 Worker participation, consultation, and communication on occupational health and safety	35	
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	31	
	403-6 Promotion of worker health	37	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	We are not disclosing this information due to the minimal impact. However, we have plans to disclose it in the future.
	403-8 Workers covered by an occupational health and safety management system	78	
	403-9 Work-related injuries	78	
	403-10 Work-related ill health	78	

Appendix

# GRI Content Index



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

**Appendix**

Economic Performance

ESG Data

**GRI Content Index** ■

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

Topic	GRI Disclosure	Page (s) in this Report	Remarks
<b>Anti-Child/Forced Labor</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	51	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	N/A	No relevant operations or suppliers.
GRI 409: Forced Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A	No relevant operations or suppliers.
<b>Responsible supply chain management</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	48-50	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	49	
	414-2 Negative social impacts in the supply chain and actions taken	49-50	
<b>Efforts for Customer Satisfaction</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	54-56	
<b>Expansion of legal and compliance management</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	69-71	
GRI 206 : Anti-Competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practice	N/A	No anti-competitive or anti-trust violations during the reporting period

## Non - Material issue

Topic	GRI Disclosure	Page(s) in this Report	Remarks
	201-1 Direct economic value generated and distributed	-	Sensitive information; no separate disclosure made.
GRI 201 : Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	-	Further information can be found in the Business Report under "19. Retirement Benefits Liabilities."
	201-4 Financial assistance received from government	-	Sensitive information; no separate disclosure made.

Appendix

UN SDGs

UN SDGs Commitment



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

Economic Performance

ESG Data

GRI Content Index

UN SDGs ■

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

SDGs and Directions		Key Activities
Resilience and better conditions for vulnerable populations	End poverty in all its forms everywhere	<ul style="list-style-type: none"> <li>• Support communities/vulnerable populations</li> </ul>
Healthy and happy lives	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> <li>• Programs to promote employee health</li> <li>• Workplace safety cross-inspections</li> <li>• Employee welfare programs</li> <li>• Cooperation with suppliers for health and safety</li> </ul>
Quality education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> <li>• Talent development programs</li> <li>• Community programs to foster future talents</li> </ul>
Gender equality	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> <li>• Childbirth and childcare programs</li> <li>• Family-friendly management certification</li> </ul>
Healthy and safe water management	Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> <li>• Water stress management</li> <li>• Water pollution management</li> </ul>
Environmentally friendly production and consumption of energy	Ensure access to affordable, reliable, sustainable, and modern energy for all	<ul style="list-style-type: none"> <li>• Measures to adopt more renewable energy</li> </ul>
Decent jobs and economic growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all	<ul style="list-style-type: none"> <li>• Creating jobs for the vulnerable (people with disabilities)</li> <li>• Shared growth programs</li> </ul>
Eliminate inequality of all kinds	Reduce inequality within and among countries including age, gender, disability, and religion	<ul style="list-style-type: none"> <li>• Onnuri Sports Team operations and support</li> <li>• Human rights management policy</li> </ul>
Sustainable cities and communities	Make cities and human settlements inclusive, safe, resilient, and sustainable	<ul style="list-style-type: none"> <li>• Community environmental improvement activities</li> </ul>
Sustainable production and consumption	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> <li>• Waste recycling</li> </ul>
Climate change response	Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy	<ul style="list-style-type: none"> <li>• Establishing GHG emission reduction targets and detailed measures</li> <li>• Establishing Scope 3 emissions estimation criteria</li> <li>• Establishing GHG reduction measures across the minerals supply chain</li> </ul>
Life on land	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none"> <li>• Wildlife monitoring for biodiversity conservation</li> </ul>
Embrace peace and justice	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels	<ul style="list-style-type: none"> <li>• Establishing a human rights management system based on the human rights management policy</li> <li>• Corporate Governance Charter to establish a sound governance</li> </ul>
Strengthen partnerships and collaboration	Strengthen the means of implementation and revitalize the global partnership for sustainable development	<ul style="list-style-type: none"> <li>• Responsible Minerals Report for responsible supply chain management</li> <li>• Supplier Code of Conduct for sustainable management</li> </ul>

Appendix

SASB

Sustainability Disclosure Topics&Metrics

SASB Topic	Disclosure Code	Category	Metric	Measurement Unit	Page
<b>Table 1. Sustainability Disclosure Topics &amp; Metrics</b>					
Energy Management	RR-FC-130a.1	Quantitative	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable	Gigajoules (GJ) Percentage (%)	75
Workforce health and safety	RR-FC-320a.1	Quantitative	(1) Total recordable incident rate (TRIR) and (2) fatality rate	Proportion	78
	RR-FC-320a.2	Discussion and analysis	Description of efforts to assess, monitor, and reduce exposure of employees to health risks	Not applicable	35, 37-38
Product efficiency	RR-FC-410a.1	Quantitative	Average storage capacity of batteries by product application and technology type / Specific energy (Wh/kg)	Specific energy (Wh/kg)	-
	RR-FC-410a.2	Quantitative	Average energy efficiency of fuel cells as (1) electrical efficiency and (2) thermal efficiency, by product application and technology type	Percentage (%)	-
	RR-FC-410a.3	Quantitative	Average battery efficiency as coulombic efficiency by product application and technology type	Percentage (%)	-
	RR-FC-410a.4	Quantitative	Average operating lifetime of fuel cells by product application and technology type	Hours (h)	-
	RR-FC-410a.5	Quantitative	Average operating lifetime of batteries by product application and technology type	Number of cycles	-
End-of-life (EOL) product management	RR-FC-410b.1	Quantitative	Percentage of products sold that are recyclable or reusable	Percentage (%) by weight	-
	RR-FC-410b.2	Quantitative	Weight of end-of-life material recovered percentage recycle	Tons (t), Percentage (%)	-
	RR-FC-410b.3	Discussion and analysis	Description of approach to manage use, reclamation, and disposal of hazardous materials	Not applicable	32, 36
Procurement	RR-FC-440a.1	Discussion and analysis	Description of the management of risks associated with the use of critical materials	Not applicable	48-50
<b>-</b>					
Number of units sold	RR-FC-000.A	Quantitative		Number	-
Total storage capacity of batteries sold	RR-FC-000.B	Quantitative		Megawatts (MW)	-
Total energy production capacity of fuel cells sold	RR-FC-000.C	Quantitative		Megawatts (MW)	-



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

Economic Performance

ESG Data

GRI Content Index

UN SDGs

SASB ■

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

Appendix

TCFD

TCFD (Task Force on Climate-Related Financial Disclosures)

Category	TCFD Recommendations	Page
[Governance] Disclose the organization's governance around climate- related risks and opportunities	A. Describe the board's oversight of climate-related risks and opportunities B. Describe management's role in assessing and managing climate-related risks and opportunities	22
[Strategy] Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term B. Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy, and financial planning C. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	22-23
[Risk Management] Disclose how the organization identifies, assesses, and manages climate-related risks	A. Describe the organization's processes for identifying and assessing climate-related risks B. Describe the organization's processes for managing climate-related risks C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	22-25
[Metrics and Targets] Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	A. Disclose the metrics used by the organization to assess climate- related risks and opportunities in line with its strategy and risk management process B. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	22-23

About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

Economic Performance

ESG Data

GRI Content Index

UN SDGs

SASB

TCFD ■

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

Economic Performance

ESG Data

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance

Statement

Greenhouse Gas Verification Statement

Memberships, Certifications and Awards

Appendix

# Independent Assurance Report on the Identified Sustainability Information in EcoPro BM Co., Ltd. Sustainability Report

(English Translation of a Report Originally Issued in Korea)



**To the Management of EcoPro BM Co., Ltd.**

We have undertaken a limited assurance engagement in respect of the selected sustainability information (the Sustainability in the EcoPro BM Co., Ltd. 's 2023 Sustainability Report for the year ended 31 December 2023 ('Sustainability Report' or the Report) listed below.

**Identified Sustainability Information**

The Identified Sustainability Information included in the EcoPro BM Co., Ltd. 's Report for the year ended 31 December 2023 is summarized below:

- 'Global Reporting Initiative (GRI) Standards Index' stated on pages 84-87
- 'ESG DATA' within the 'Appendix' heading on pages 75-83
- 'Sustainability Accounting Standards Board (SASB) Index' stated on pages 89

Our assurance was with respect to the year ended 31 December 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Report and, therefore, do not express any conclusion thereon.

**Criteria**

The criteria used by EcoPro BM Co., Ltd. to prepare the Identified Sustainability Information are 'GRI Standards 2021' and 'SASB (Fuel Cells & Industrial Batteries Standard)' (the 'Criteria').

**EcoPro BM Co., Ltd.'s Responsibility for the Identified Sustainability Information**

EcoPro BM Co., Ltd. is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

**Inherent Limitations**

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

**Our Independence and Quality Control**

We have complied with the ethical requirements of the Republic of Korea, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standards on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

**Our Responsibility**

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement. A limited assurance engagement involves assessing the suitability in the circumstances of EcoPro BM Co., Ltd.'s use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, review of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. Given the circumstances of the engagement, in performing the procedures listed above we:

Our firm applies International Standards on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

- Interview with the personnel responsible for internal reporting and data collection regarding EcoPro BM Co., Ltd.'s Identified Sustainability Information to understand their approaches to manage material issues
- Understand the systems and processes in place for managing and reporting the Identified Sustainability Information
- Review documents relevant to the risk assessment process, sustainability-related policies and standards, materiality assessment, engagement activities of the stakeholders and others

**Perform inquiries and analytical reviews on the Identified Sustainability Information**

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether EcoPro BM Co., Ltd.'s Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

**Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that EcoPro BM Co., Ltd.'s Identified Sustainability Information the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the Criteria.

**Restricted Use**

This Report is prepared solely for management of EcoPro BM Co., Ltd. to assist in obtaining understanding of EcoPro BM Co., Ltd.'s sustainable management performance and activities. Accordingly, we accept no liability or responsibility to any third party, other than EcoPro BM Co., Ltd. and its management, who gains access to this report.

Seoul, Korea  
Hoonsoo Yoon, Chief Executive Officer

*Samuel PricewaterhouseCoopers*  
28 October 2024

This report is effective as of 28 October 2024, the report date. Certain subsequent events or circumstances, which may occur between the report date and the time of reading this report, could have a material impact on the Report on the Identified Sustainability Information. Accordingly, the readers of the report should understand that there is a possibility that the above report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Appendix

# Greenhouse Gas Verification Statement



## ECOPRO BM Co., Ltd.

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission (Scope 1, 2) of ECOPRO BM Co., Ltd. (hereinafter "the Company") from 2021 to 2023.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

### Appendix

Economic Performance

ESG Data

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

**Greenhouse Gas Verification Statement**

Memberships, Certifications and Awards

### SCOPE

Verification of all places of business and emission facilities under the control of the company.

### STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories
- Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme

### PROCEDURE

We conducted a risk analysis approach and on-site verification based on data evaluation, and we identified the appropriateness of the data and factors applied to GHG emission calculations based on objective evidence. The verification team verified the GHG emissions during the reporting period in a reasonable way based on the verification guidelines.

### INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/ views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review

### LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

### OPINION

- GHG verification has been performed to meet the reasonable assurance level according to the verification standards.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated. As a result, we express an "unmodified" opinion.
- Criticality: meets the criterion, which is less than 5%
- GHGs Emission(All places)

GHGs Emission	Direct emission (Scope1)	Indirect emission (Scope2)	Total (tCO <sub>2</sub> -eq)
2021	2,270.244	121,057.553	123,326
2022	1,187.5	121,551.194	122,737
2023	948	124,193	125,140

Energy Consumption	Fuel	Electricity	Steam	Total (TJ)
2021	43.684	2,529.66	0	2,571
2022	22.545	2,539.975	0	2,561
2023	18	2,595	0	2,611

\* Note : There is a difference in the total amount of emissions and emissions by greenhouse gas and by workplace. (Total emissions are cut to a decimal point for each workplace unit and emissions are summed up for each workplace unit.)

### RESULTS

- We confirm through verification that the emissions from major emission facilities have been calculated and reported without omission.

- The company is responsible for preparing the verification data in accordance with the Guidelines on Emission Reporting and Certification under the Greenhouse Gas Emission Trading Scheme (Ministry of Environment Notification No. 2021-278). KMR's responsibility is limited to the verification contract party under the agreed terms. KMR is not responsible for other decisions such as investment based on this verification statement.
- The company should comply with the requirements relating to the use of the certification mark and logo mark under the agreed contract with KMR.

March 27, 2024

Authorized By *E J Hwang*  
CEO Eun Ju Hwang

Appendix

# Greenhouse Gas Verification Statement



## ECOPRO BM Co., Ltd.

Domestic workplaces : Ochang Plant, Pohang Plant

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission (Scope 3) of ECOPRO BM Co., Ltd. (hereinafter "the Companies") in 2023.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

## Appendix

Economic Performance

ESG Data

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

**Greenhouse Gas Verification Statement** ■

Memberships, Certifications and Awards

### SCOPE

Operations<sup>1)</sup> and emission facilities under the operational control of EcoPro BM.

<sup>1)</sup> Ochang Plant, Pohang Plant

### STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National GHG Inventories
- Guidelines for Reporting and Certification of Emissions under the GHG Emissions Trading System
- WRI/WBCSD GHG Protocol

### PROCEDURE

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation. The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

- Interview with the person in charge of data and record management
- Reviewed data and record-keeping processes
- Reviewed sources and criteria for emission factors and parameters
- Reviewed additional evidence provided by the company

### INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/ views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

### LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

### OPINION

- The assurance opinion is based on our approach and the professional judgment of the assurance practitioner. Nothing has come to our attention that causes us to believe that we have not complied with all material aspects of the Assurance Standard.
- The assurance engagement was performed to satisfy a limited assurance level, and the assurance risk is higher than a reasonable assurance level.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated.
- Criticality: meets the criterion, which is less than 5%
- Scope 3 emissions

NO	Category	Emissions (tCO <sub>2</sub> -eq)
CAT 1	Purchased goods and services	784,658
CAT 2	Capital goods	54,226
CAT 3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	9,736
CAT 4	Upstream transportation and distribution	9,766
CAT 5	Waste generated in operations	204
CAT 6	Business travel	714
CAT 7	Employee commuting	1,352
CAT 9	Downstream transportation and distribution	7,836
CAT 10	Processing of sold products	102,961
CAT 15	Investments	69,977
Scope 3 emissions		1,041,430

\* The value is rounded down and added up for each category of business sites.

### RESULTS

- Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities.

\* The abovementioned company is responsible for preparing verification data in accordance with the "Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No.2021-278)", and KMR's responsibility is limited to the party in the verification contract according to the agreed contract terms. and is not responsible for other decisions, including investment decisions based on this verification statement.

\* The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.

June 24, 2024

Authorized By

CEO Eun Ju Hwang

Appendix

# Greenhouse Gas Verification Statement



## ECOPRO EM Co., Ltd.

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission (Scope 1, 2) of ECOPRO EM Co., Ltd. (hereinafter "the Company") from 2021 to 2023.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

### Appendix

Economic Performance

ESG Data

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

**Greenhouse Gas Verification Statement**

Memberships, Certifications and Awards

#### SCOPE

Verification of all places of business and emission facilities under the control of the company.

#### STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories
- Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme

#### PROCEDURE

We conducted a risk analysis approach and on-site verification based on data evaluation, and we identified the appropriateness of the data and factors applied to GHG emission calculations based on objective evidence. The verification team verified the GHG emissions during the reporting period in a reasonable way based on the verification guidelines.

#### INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/ views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review

#### LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

#### OPINION

- GHG verification has been performed to meet the reasonable assurance level according to the verification standards.

- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated. As a result, we express an "unmodified" opinion.
- Criticality: meets the criterion, which is less than 5%
- GHGs Emission(All places)

GHGs Emission	Direct emission (Scope 1)	Indirect emission (Scope 2)	Total (tCO <sub>2</sub> -eq)
2020	3,819	0	3
2021	49,657	7,522.379	7,572
2022	299,123	59,028.834	59,327
2023	153,784	116,271.925	116,425

Energy Consumption	Fuel	Electricity	Steam	Total (TJ)
2020	0.057	0	0	0
2021	0.893	157.19	0	158
2022	5.775	1,233.487	0	1,239
2023	2.926	2,429.658	0	2,432

\* Note : There is a difference in the total amount of emissions and emissions by greenhouse gas and by workplace. (Total emissions are cut to a decimal point for each workplace unit and emissions are summed up for each workplace unit.)

#### RESULTS

- We confirm through verification that the emissions from major emission facilities have been calculated and reported without omission.
- The abovementioned company is responsible for preparing verification data in accordance with the "Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)", and KMR's responsibility is limited to the party in the verification contract according to the agreed contract terms, and is not responsible for other decisions, including investment decisions based on this verification statement.
- The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.

March 27, 2024

Authorized By *E J Hwang*  
CEO Eun Ju Hwang

Appendix

# Greenhouse Gas Verification Statement



## ECOPRO EM Co., Ltd.

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission (Scope 3) of ECOPRO EM Co., Ltd. (hereinafter "the Companies") in 2023.



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

### Appendix

Economic Performance

ESG Data

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

**Greenhouse Gas Verification Statement** ■

Memberships, Certifications and Awards

#### SCOPE

Verification of business and emission facilities under operational control of the company.

#### STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National GHG Inventories
- Guidelines for Reporting and Certification of Emissions under the GHG Emissions Trading System
- WRI/WBCSD GHG Protocol

#### PROCEDURE

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation. The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

- Interview with the person in charge of data and record management
- Reviewed data and record-keeping processes
- Reviewed sources and criteria for emission factors and parameters
- Reviewed additional evidence provided by the company

#### INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/ views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

#### LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

#### OPINION

- The assurance opinion is based on our approach and the professional judgment of the assurance practitioner.

Nothing has come to our attention that causes us to believe that we have not complied with all material aspects of the Assurance Standard.

- The assurance engagement was performed to satisfy a limited assurance level, and the assurance risk is higher than a reasonable assurance level.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated.
- Criticality: meets the criterion, which is less than 5%
- Scope 3 emissions

NO	Category	Emissions (tCO <sub>2</sub> -eq)	Notes
CAT 1	Purchased goods and service	1,480,060	
CAT 2	Capital goods	137,520	
CAT 3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	9,048	
CAT 4	Upstream transportation and distribution	19,330	
CAT 5	Waste generated in operations	253	
CAT 6	Business travel	42	
CAT 7	Employee commuting	334	
CAT 9	Downstream transportation and distribution	13,892	
CAT 10	Processing of sold products	158,671	
CAT 15	Investments	0	No external investment in 2023
Scope 3 emissions		1,819,150	

\* The total Scope 3 emissions are rounded down and added up by category.

#### RESULTS

- Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities.

- \* The abovementioned company is responsible for preparing verification data in accordance with the "Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)", and KMR's responsibility is limited to the party in the verification contract according to the agreed contract terms. and is not responsible for other decisions, including investment decisions based on this verification statement.
- \* The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.

June 24, 2024

Authorized By

CEO Eun Ju Hwang

Appendix

# Memberships, Certifications and Awards

## Memberships

Association/organization	Description
K RE100	Korea's RE100 initiative enables electricity consumers to document their renewable energy consumption through an official system. Participants can submit their renewable energy usage records, receive certification, and use this certification for various applications, including contributing to the RE100 campaign.
K EV100	The Korea Zero Emission Vehicle Conversion 100 (K-EV100) is managed by the Ministry of Environment and encourages private companies to commit to converting their entire fleet of owned or leased vehicles to zero-emission options by 2030.

## Certifications

Category	Time (validity)	Description
ISO14001	May 27, 2022 – May 26, 2025	Environmental Management System
ISO45001	May 27, 2022 – May 26, 2025	Occupational Health and Safety Management System
IATF16949	July 5, 2023 – July 4, 2026	International Automotive Task Force
ISO17025	December 21, 2023– December 20, 2027	Korea Laboratory Accreditation Scheme (KOLAS)

## Awards

Date	Awarder	Description
October 1, 2021	Community Chest of Korea Gyeongbuk Chapter	2021 Community Chest of Korea Gyeongbuk Chapter Citation
December 31, 2021	Gyeongsangbuk-do	Gyeongsangbuk-do Community Contribution Award (Child Welfare)
December 14, 2022	Pohang City	2022 Pohang Mayor's Citation at the Pohang Volunteer Conference (Corporate Social Responsibility)
September 11, 2023	Pohang City	Recognition of merit in the selection of the secondary battery complex
October 24, 2023	Gyeongsangbuk-do	2021 Community Chest of Korea Gyeongbuk Chapter Citation (Gyeongbuk Provincial Council Chairperson's Award)
February 29, 2024	Ministry of Employment and Labor	Minister of Employment and Labor's Award for mutually beneficial health and safety cooperation between large companies and SMEs in 2023

About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

Economic Performance

ESG Data

GRI Content Index

UN SDGs

SASB

TCFD

Third-Party Assurance Statement

Greenhouse Gas Verification Statement

**Memberships, Certifications  
and Awards** ■



About This Report

CEO Message

ESG Highlights

Company Overview

Progress on Sustainability

Appendix

**EcoPro** *BM*