

Everyday Everywhere



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Contact

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About This Report

Report Overview

With its first Sustainability Report, EcoPro HN discloses and communicates with its stakeholders about the company's activities and achievements in creating economic, environmental, and social value. Through this Report, we seek to align EcoPro HN's growth strategy with its ESG management approach, while providing comprehensive insights into our plans and initiatives to contribute toward achieving the United Nations Sustainable Development Goals (UN SDGs). This annual publication represents our ongoing dedication to fostering shared growth with the community and ensuring the sustainability of our 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 HN. For social and environmental achievements, we focused on our domestic operations, 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 HN 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 Lloyd's Register Quality Assurance Korea (LRQA), a third-party independent assurance service provider. LRQA's third-party assurance statement is documented on pages 78 and 79.

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Interactive PDF

This Report has been published as an interactive PDF document, featuring hyperlinks that direct readers to the corresponding pages within the Report and associated web pages.

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“ At EcoPro HN, we are committed to future growth driven by green technology for humanity and mother nature. ”

Dear Stakeholders,

Last year marked our best performance to date, and this year we are on track to surpass it. This achievement would not have been possible without the unwavering encouragement and support of our stakeholders. On behalf of all employees at EcoPro HN, I would like to express my deepest gratitude.

The world is grappling with multifaceted crises, including volatility in international affairs fueled by political conflicts and wars, human rights violations, climate change driven by global warming, natural disasters, and hunger. In this context, ESG management has become a necessity rather than an option for survival. Recognizing this, many global companies are embracing ESG management to ensure sustainability.

As Korea's only provider of comprehensive environmental solutions, EcoPro HN has joined this global initiative. We are committed to leading the market as a pioneer in the environmental sector, delivering the highest value to all stakeholders, including customers and partners.

First, we will actively fulfill our role in achieving carbon neutrality.

We are committed to reaching carbon neutrality by 2050 in line with the UN Framework Convention on Climate Change. To this end, we will integrate environmental management practices and proactively address climate change as a green company. Our approach includes setting specific targets to increase the use of recycled and renewable raw materials, adopt renewable energy sources, and ensure the efficient use of water, energy, and other resources. Through these measures, we aim to contribute to greenhouse gas reduction and lead in the development of low-carbon products.

Second, we are resolutely committed to ensuring workplace safety.

We aim for zero accidents and strive to create a safe and healthy working environment for all our employees. To achieve this, we have established a comprehensive environmental safety and health system designed to identify and mitigate risks, preventing major incidents. We also prioritize protecting our employees from work-related stress, both physical and mental. To further this commitment, we will invest in enhancing safety facilities, fostering safety professionals, and continuously improving our safety and health practices.

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Third, we will be the flag bearer for human rights management.

We firmly endorse international standards and guidelines relating to human rights and labor, including the Universal Declaration of Human Rights and the UN Global Compact (UNGC). We prioritize people, adhere to universal norms and values, and stand resolutely against all forms of discrimination based on nationality, gender, age, disability, geography, or religion. Our corporate culture is dedicated to respecting and safeguarding the rights of all stakeholders, and we aim to integrate human rights management into our business practices comprehensively.

Fourth, we are dedicated to building a responsible supply chain.

Our Code of Conduct for suppliers and partners guides us toward the development of a sustainable supply chain and the pursuit of shared growth. The Code includes chapters on human rights, safety, health, ethical management, and environmental protection, underscoring the importance of building a responsible supply chain. Our shared growth support programs are designed to help our partners fulfill their corporate responsibilities. Moving forward, we will continue to enhance our competitive edge through mutual trust and cooperation, ultimately achieving sustainable growth together.

Fifth, we are focused on managing business risks.

We have established an environmental, social, and governance (ESG) risk management system to identify, analyze, and manage risks that may impact the business environment across economic, environmental, and social dimensions. This enables us to detect potential risks proactively and respond accordingly. We will continue to advance our risk management system to address uncertainties in the business environment by proactively responding to various mid- to long-term risks, such as greenhouse gas reduction, human rights management, and compliance with global standards. In addition, we are committed to making transparent disclosures of relevant information to our stakeholders.

Dear Stakeholders,

At EcoPro HN, we are committed to the sustainable growth of people, society, and our business, and we strive for mutual growth with our partners and the local community. As we stand on the cusp of new challenges, we are dedicated to pursuing transformation and innovation, empowering us to grow as a trusted and respected company. We invite you to join us on this exciting journey to create a better future together.

Thank you.

August 2024

EcoPro HN President and CEO **Kim Jong-seop**

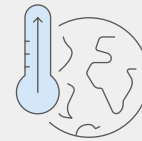


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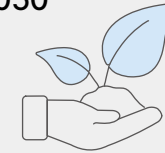
Environment

Selected 10 categories for Scope 3 emissions disclosure



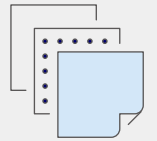
Established carbon neutrality targets based on SBTi

Reduce 40% by 2030 and achieve carbon neutrality by 2050



Developed technologies in response to climate change

Carbon capture, plastic pyrolysis, etc.

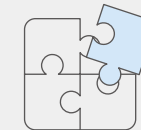


Society

The Human Rights Charter Declaration



Established and distributed the Supplier Code of Conduct



Further sharpened our technological competitiveness with 81 intellectual property rights added



Governance

The Corporate Governance Charter Declaration



Made disclosures of the board members' expertise

Introduced BSM



Achieved 100% engagement in the compliance commitment letter



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EcoPro HN Profile

About EcoPro HN

EcoPro HN is Korea's only total green solution company, specializing in a comprehensive environmental system business that integrates environmental diagnosis, material design, maintenance, and solution offerings. The company's key business areas encompass clean room chemical filters, particulate matter (PM) reduction solutions, and greenhouse gas reduction solutions.



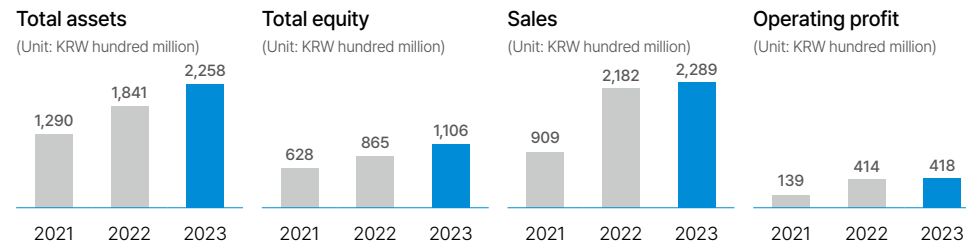
Company Overview

EcoPro HN was spun off from EcoPro in 2021 with the primary aim of addressing the side effects of technological advancement, which, while bringing benefits and convenience to humanity, has also contributed to air pollution and environmental disruptions on our planet. At EcoPro HN, we are dedicated to developing and commercializing various air environment technologies to eliminate harmful gases and prevent air pollution. Our ongoing commitment to research and development has established us as a renowned comprehensive plant engineering specialist driven by advanced environmental materials technology.

(As of the end of December 2023)

Company name	EcoPro HN Co., Ltd.
Establishment	May 2021 (spin-off)
CEO	Kim Jong-seop
Number of employees	342
Revenue	KRW 228.9 billion
Total equity (capital)	KRW 110.6 billion (KRW 7.7 billion)
Head office	587-40 Gwahaksaneop 2-ro, Ochang-eup, Cheongwon-gu, Cheongju-si, Chungcheongbuk-do, Korea

Financial Performance Highlights



Key Products and Services

EcoPro HN provides cleanroom chemical filters that remove harmful gases, particulate matter reduction solutions, and greenhouse gas reduction solutions. Our leading products include perfluorocarbon (PFCs) gas removal systems, volatile organic compounds (VOCs) removal systems, and clean room chemical filters (FFU, OAC, TOOL).



Key Achievements and Future Plans

<p>(Existing) Environmental business reinforcement</p> <p>Build on the existing environmental business such as chemical filters, PM plants, and greenhouse gases.</p>	<p>(New) Environmental business advancement</p> <p>Diversify the business portfolio in response to carbon reduction policy, including carbon capture, utilization, and storage (CCUS), carbon credit, shipbuilding, and hydrogen.</p>	<p>Entry into the materials industry</p> <p>Develop organic and inorganic synthesis technologies for cathode additives, electronic materials, and electrolyte additives to grow as a materials specialist.</p>	<p>Globalization</p> <p>Expand our presence in the EU, Americas, and Asia and enter their battery ecosystem to increase overseas revenue.</p>	<p>R&D and technology</p> <p>Increase workforce by 2.8 times and R&D investment by 17 times compared with the 2020 levels. Leverage external capacity and networks.</p>
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EcoPro HN Profile

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

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Management philosophy

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

Behavioral standard



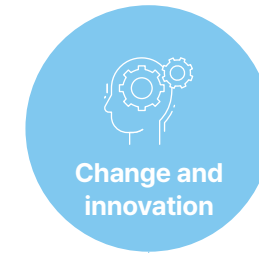
We challenge ourselves to do new things.

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



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.



We pursue ceaseless change and innovation.

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

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EcoPro HN Profile

Key Milestones



Leadership in Korea's Environmental Business

A Giant Leap into a Total Green Solution Specialist

1998~2015

- 1998**
 - Founded EcoPro Co., Ltd.
- 2004**
 - Entered the cathode materials industry through a joint development project for ultrahigh-capacity cathode active materials.
- 2005**
 - Founded EcoPro Innovation Co., Ltd.
- 2006**
 - EcoPro Awarded the One Million Dollar Export Tower Award on the 43rd Export Day (Korea International Trade Association).
- 2007**
 - EcoPro listed on KOSDAQ.
- 2008**
 - Completed the construction of the first cathode materials plant (CAM 1).
- 2009**
 - Completed the construction of the second cathode materials plant (CAM 2).
- 2015**
 - Completed the construction of the third cathode materials plant (CAM 3).

2016~2018

- 2016**
 - Founded EcoPro BM Co., Ltd. (Physical division of EcoPro's battery materials business).
 - EcoPro Awarded the Hundred Million Dollar Export Tower Award and the President's Citation on the 53rd Export Day (Korea International Trade Association).
 - EcoPro BM named a "World Class 300" company (Ministry of Trade, Industry and Energy).
- 2017**
 - Founded EcoPro Materials
 - EcoPro BM awarded the IR52 Jang Young-shil Award (Ministry of Science and ICT).
 - Completed the construction of the fourth cathode materials plant (CAM 4).
 - EcoPro BM awarded the Hundred Million Dollar Export Tower Award on the 54th Export Day (Korea International Trade Association).
 - Succeeded in commercializing the world's first MW VOCs reduction system.

2019~2020

- 2019**
 - Founded the EcoPro Onnuri Sports Team.
 - EcoPro BM listed on KOSDAQ.
 - EcoPro founded Shanghai Ecopro Environmental Engineering Co., Ltd. in China.
 - Completed the construction of the fifth cathode materials plant (CAM 5) in Pohang.
 - Founded EcoPro AP Co., Ltd.
 - EcoPro BM awarded the 500 Million Dollar Export Tower Award on the 56th Export Day (Korea International Trade Association).
- 2020**
 - Founded EcoPro EM (a joint venture between EcoPro BM and Samsung SDI).
 - EcoPro awarded the Order of Industrial Service Merit – Gold Tower on the 47th Commerce and Industry Day (CEO Lee Dong-chaе, Korea Chamber of Commerce and Industry).

2021~2022

- 2021**
 - Founded EcoPro HN Co., Ltd. (equity spin-off of EcoPro's environmental business).
 - EcoPro HN listed on KOSDAQ.
- 2022**
 - Obtained the Environmental Product Declaration (EPD) certification for chemical filters.
 - Won the contract to install air environment facilities in nine locations at Hyundai Steel's Dangjin Plant.
 - Signed a memorandum of understanding (MOU) with GS E&C for the development of ammonia-based low-carbon hydrogen production and utilization technology.
 - Won the contract to supply large-capacity catalyst treatment equipment to Samsung Engineering.

2023~Present

- 2023**
 - Made the decision to invest in building a secondary battery and electronic materials plant in Jincheon, Chungbuk.
 - Won the contract to construct air pollution prevention facilities (SCR) for Hyundai Steel Dangjin Plant CR 2.
 - Won the contract to construct air pollution prevention facilities (CTO and RTO) for Lotte Chemical's Daesan Plant.
 - Signed a third MOU with Seoul National University on technological advisory for next-generation secondary battery materials.
 - Pursued the international standardization of chemical filter performance measurement in cooperation with the Ministry of Trade, Industry and Energy's Korean Agency for Technology and Standards.
- 2024**
 - Won the contract to supply greenhouse gas reduction facilities (RCS) to Samsung Engineering.
 - Won the contract to install air pollution prevention facilities in SEETEC's CO-GEN no. 1-3 boilers.
 - Won the contract to construct a wastewater treatment plant in EcoPro Materials' Campus 4.
 - Acquired a General Contractor (Industrial and Environmental Equipment) License.
 - Acquired an Electrical Contractor's License.

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Business Value Chain

A Comprehensive Plant Company Powered by Environmental Technology

EcoPro HN specializes in total green solutions, combining expertise in green materials development and plant engineering, with a primary focus on the environment and energy sectors. We are now setting our sights on creating future growth drivers by expanding into the battery materials business.



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Business Value Chain

Secondary Battery Ecosystem Strategy of EcoPro Group: An Eco-friendly Closed-loop Ecosystem

The Eco-friendly Closed-loop Ecosystem is Korea's only battery cathode materials value chain proudly presented by EcoPro Group. In this closed-loop ecosystem, EcoPro HN, a leading provider of comprehensive eco-friendly solutions, is responsible for wastewater treatment. This involves treating pollutants contained in wastewater from the battery cathode materials ecosystem and developing EWT techniques for water reuse. We also employ a process separation system to recover resources from the pollutants and minimize the amount of substances finally wasted.

The wastewater from cathode materials production (EcoPro BM and EcoPro EM), precursor production (EcoPro Materials), lithium hydroxide production (EcoPro Innovation), and recycling (EcoPro CnG) contains trace amounts of valuable metals. EcoPro HN plays its role in minimizing impact on the ecosystem by collecting these valuable metals from the wastewater, reducing the amount of waste, and ultimately ecotoxicity, and minimizing salts discharged to the ecosystem.

We are committed to advancing our 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 and cooperation between group companies, which presents a vision for the future to come and the planet.



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Chemical Catalyst

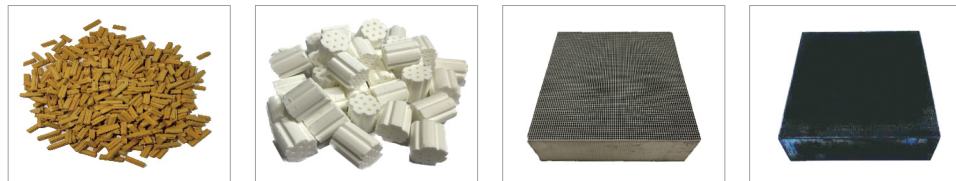
Chemical Catalyst Development

Catalysts for Environmental Plants

Oxidation Catalysts

Use the catalysts to facilitate the oxidation of PFCs, THC, VOCs, CO, NH3, and odor

- Develop different substances in various forms for performance optimization.



* Catalysts colors are determined by raw material composition and ratio.

Core Technology

Durability and stability

20 years of experience in catalyst development and ceaseless efforts to improve performance and efficiency.

Synthesis and coatings know-how

Nano-sized particle production technology ensures 99.99%+ performance.

Cost competitiveness

Cost competitiveness with optimized production and management.

Reduction Catalysts

Low-temperature NOx reduction catalysts

- Highly efficient even at temperatures above -150 °C.
- Pellet-type, Mn- or V/TiO2-based synthetic extrusion catalysts.

High-temperature NOx reduction catalysts

- Highly efficient even at temperatures above ~500 °C.
- Honeycomb-type, Zeolite-based coated catalysts.

N₂O reduction catalysts

- Decomposition and conversion at relatively lower temperatures: 1,000 °C or above without catalysts, 350~650 °C with catalysts.
- Zeolite-based extrusion or coated catalysts: Directly react to NO for direct decomposition or work with reductants for selective decomposition.

* Global warming potential of N₂O: 310 (CO₂ = 1).

Chemical Air Filter Technology

Harmful Substances Removal from Cleanrooms

Chemical Adsorption Treatment Technology

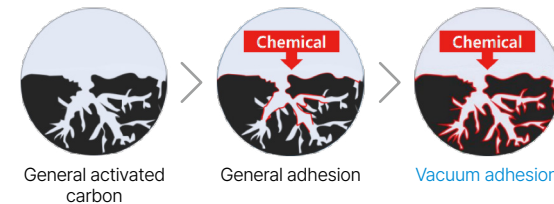
Chemical Air Filter (CAF)

Chemically absorb harmful gases from semiconductor processes in cleanroom environments.

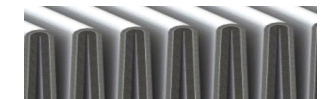
- Highly efficient and durable filters powered by EcoPro's original technology.
- Korean market leader in semiconductor and display cleanroom CAFs.

Korea's only integrated system of development, production, and supply

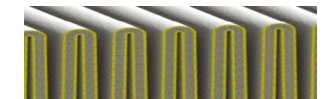
- 60 patents for materials and filters.
- Customized development and production for all kinds of harmful gases.



Single Adsorbent



Multiple Adsorbent



Comprehensive AMCs Removal Solutions

- Highly efficient and durable filters powered by EcoPro's original technology.
- Korean market leader in semiconductor and display cleanroom CAFs.



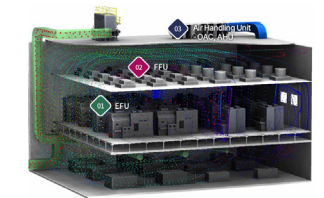
CAFILDEX® SW series



CAFILDEX® HECY series



CAFILDEX® TY series



Korea's only KOLAS-accredited quality management system

- Internationally recognized analytical capability for specific compounds.
- Advanced and well-systemized quality management for customer satisfaction.

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De-PFCs technology

Treatment of perfluorocarbon (PFC) gases in semi-conductor process

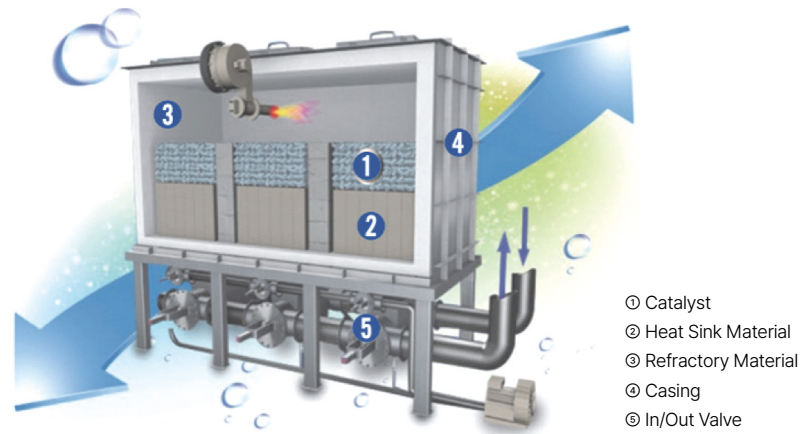
Catalytic thermal oxidation treatment technology

Regenerative catalytic system (RCS)

Catalytic Thermal Treatment around 780°C

- In normal conditions, PFCs would oxidize at ~1,300 °C.
- EcoPro HN's proprietary catalyst technology effectively halves the energy requirement for treatment.

Commercialized the world's first large-scale processing technology outside of FAB



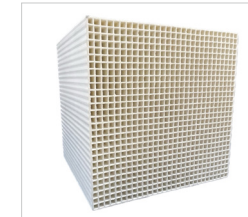
- Large-capacity catalytic treatment technology.
 - An RCS unit has a capacity as large as 250 regular POU units.
- Large-capacity out-of-FAB facility for easy operation and maintenance.
 - Flexibility in semiconductor FAB operations.

Developed third-generation PFCs catalysts

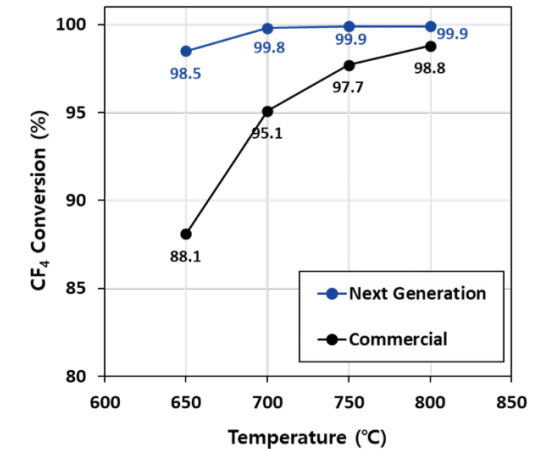
- Honeycomb-type catalysts for reduced pressure loss and easy maintenance.
- Better throughput efficiency compared with the second-generation catalysts on an equal volume basis.



- Existing catalyst
- Perforated Type



- Third-generation catalyst
- Honeycomb type



Developing complex process gas treatment catalysts

- Complex processing catalysts for N₂O and NF₃ from semiconductor and display process.
 - The existing plasma pyrolysis method has limitations in efficiency. Applying catalysts helps improve efficiency.
- An integrated system of catalyst and pre/post-treatment technologies.
 - We aim to develop acid-resistant catalysts and corrosion-resistant equipment.

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De-VOCs Technology

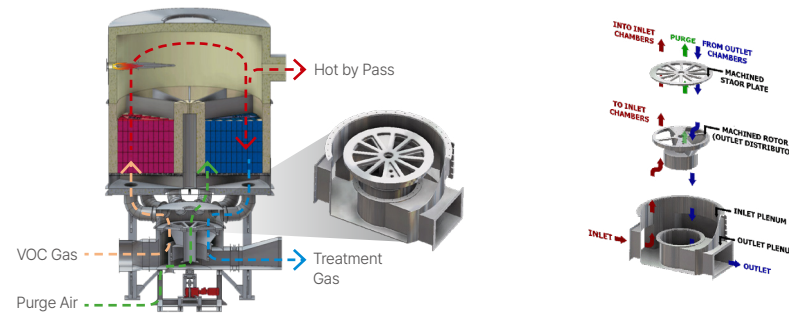
THC, VOCs, CO, and Odor Reduction

Oxidation Treatment Technology

Regenerative Thermal Oxidizer (RTO)

Direct high-temperature oxidation at ~800 °C

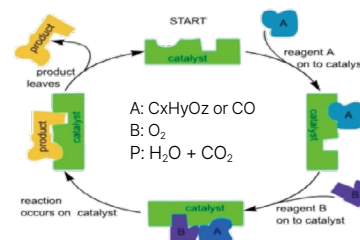
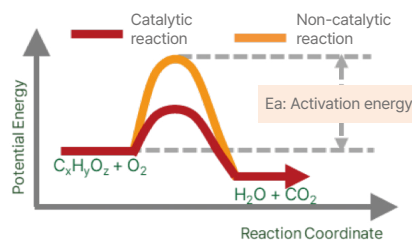
- Energy saving with a heat recovery rate of 96%+ / Stable processing efficiency of 99%+
- Air knife sealing technology (separated rotor structure, optimized for maintenance and long-term operation)



Catalytic Thermal Oxidizer (CTO)

Catalytic thermal oxidation at 180~350 °C / Customized catalyst development and proprietary system technologies

- High efficiency and complete oxidation even under challenging conditions such as compounds with a high boiling point.
- 99.99%+ treatment efficiency



De-NOx Technology

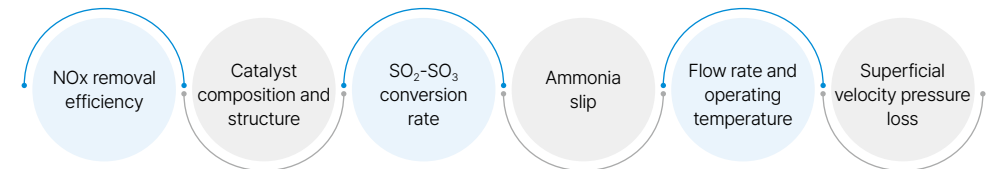
Nitrogen Oxide Reduction

Reduction Treatment Technology

Selective Catalytic Reduction (SCR)

Catalytic reduction at 160~380 °C

- Use reductants to convert NO_x to N₂ and H₂O through catalytic reactions.
- Various catalysts applied depending on flow rate, temperature, NO_x, H₂O, dust, other substances, etc.



Optimized catalyst technology for special conditions



- Simultaneous N₂O decomposition catalyst technology.
 - Treat both NO_x and N₂O that is a greenhouse gas.
- Low- and high-temperature catalyst technology
 - Catalysts applicable outside the regular temperature range at ~160 and ~500 °C.

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Secondary battery wastewater treatment

Wastewater Reuse

Filter evaporative concentration recovery technology

RO + Evaporation

Lithium concentration and recovery

STEP 1. Reverse Osmosis



Low-concentration lithium wastewater



High-concentration lithium wastewater

Industrial water

STEP 2. Evaporation



High-concentration lithium wastewater



Lithium collection

Reuse

- Select the right membrane for lithium ion concentration
- Primary concentration of low-concentration lithium wastewater
- Use evaporative concentration facilities; recover lithium and reuse as a raw material

Optimal System Configuration

Lithium-containing wastewater

Coagulation + Flocculation

Sedimentation or DAF System

Filtration

Reverse Osmosis

Evaporation + Dryer

Maximum efficiency & trouble-free design

- Wastewater impurity control to minimize RO membrane fouling
- Maximum efficiency & trouble-free design
- Application of optimized systems based on know-how -> Capex & Opex reduction

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Key Development Projects

Develop technologies for mid- to long-term business

Establish the foundation for sustainable growth as a comprehensive green solution specialist

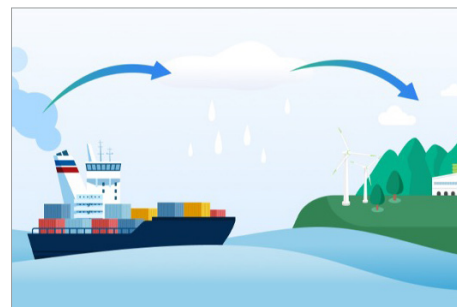
Carbon Neutrality

CO₂ conversion technology



- Greenhouse gas that is a major cause of global warming
- Carbon capture, storage, and utilization (CCUS) technologies
- Wet and dry methods (mineral carbonization, etc.)
- Participation in CCU mega projects

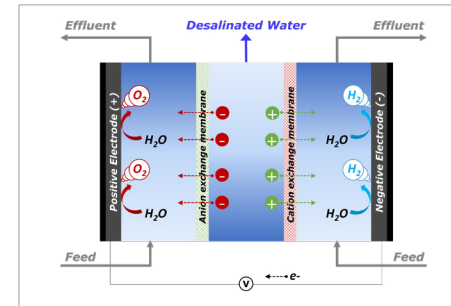
Green Ship Technology



- Response to the IMO shipping industry carbon tax imposition issue
- LNG engine exhaust gas treatment catalyst
- CH₄ removal, ammonia reforming.
- Green energy supply systems.

Circular Economy (Resource circulation)

Recycling of Sodium Sulfate from Secondary Battery



- Low-cost desalting process
- Based on electrolysis technology.
- Producing high-value resources.

Waste Plastic Pyrolysis



- Addressing waste recycling issues
- Developing stable pyrolysis technology
- Producing synthetic gas and hydrogen.
- Commercialization in connection with the local economy

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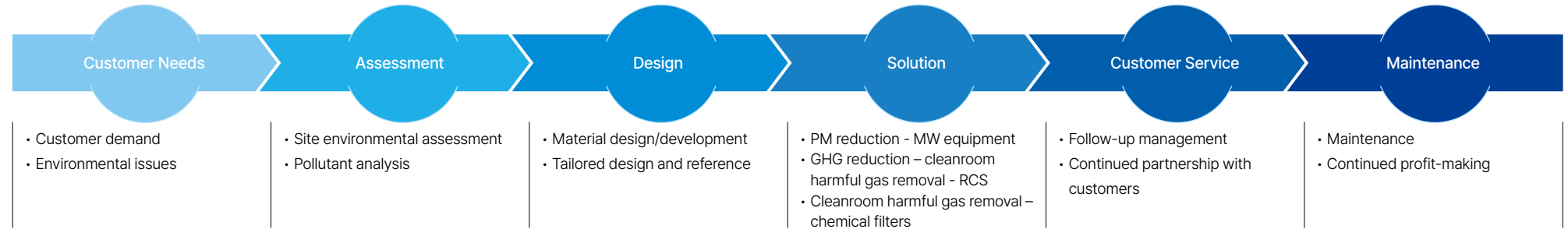
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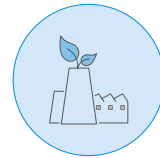
Growth Strategy

Future Competitiveness

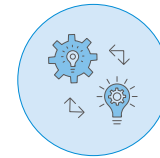
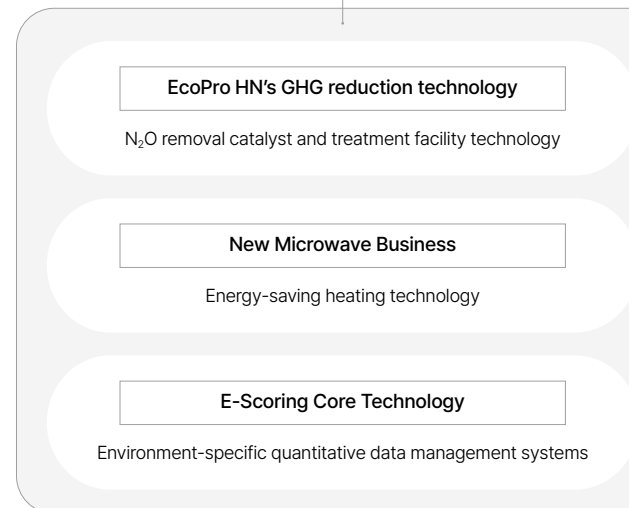
Total Environmental Solutions



Sustainable Growth



New Growth Driver Model

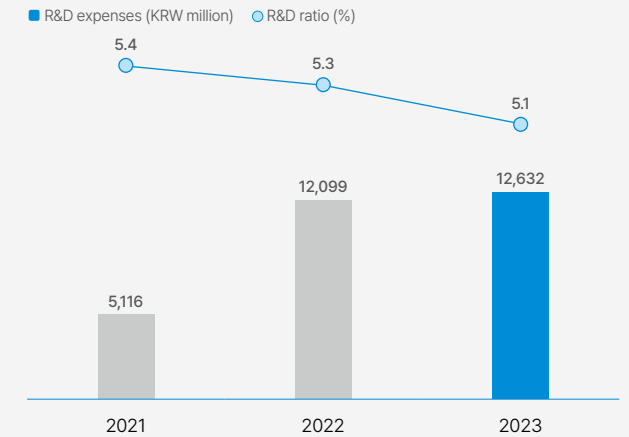


Aggressive Investment in R&D and Facilities

	Research equipment	Use
Single/composite gas analysis	SIFT-MS, GCMS, FT-IR, mass-spectrometer, etc.	Analyze single or compound gases for composition and concentration using chromatography, spectral analysis, etc.
Surface/structural analysis	SEM/EDS, XRD, XRF, BET, etc.	Determine the physical properties and microstructure of materials such as specific surface area, pore distribution, particle size, crystallinity, and constituents using electron microscopy, gas absorption-desorption, and x-ray spectroscopy.
Ion/liquid analysis	HPIC, LC-MS, etc.	Analyze liquids, ionized substances, etc., for composition and concentration using chromatography.
Performance/lifespan evaluation	Catalyst, Filter Evaluation Rig	Evaluate the performance and lifespan of catalysts and filters that remove (adsorb or convert) complex pollutants using evaluation facilities equipped with MFCs, reactors, etc.



More than 5% of sales invested in R&D



* 2021 data from May 1 to December 31.

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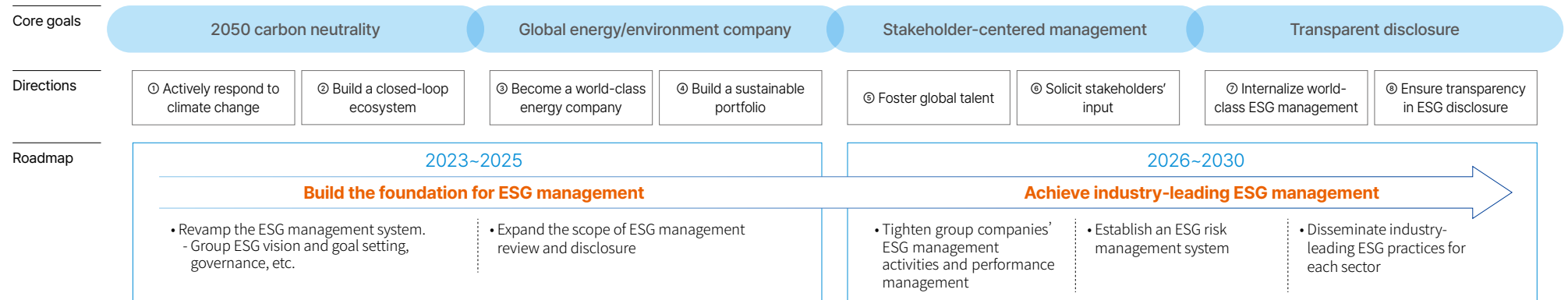
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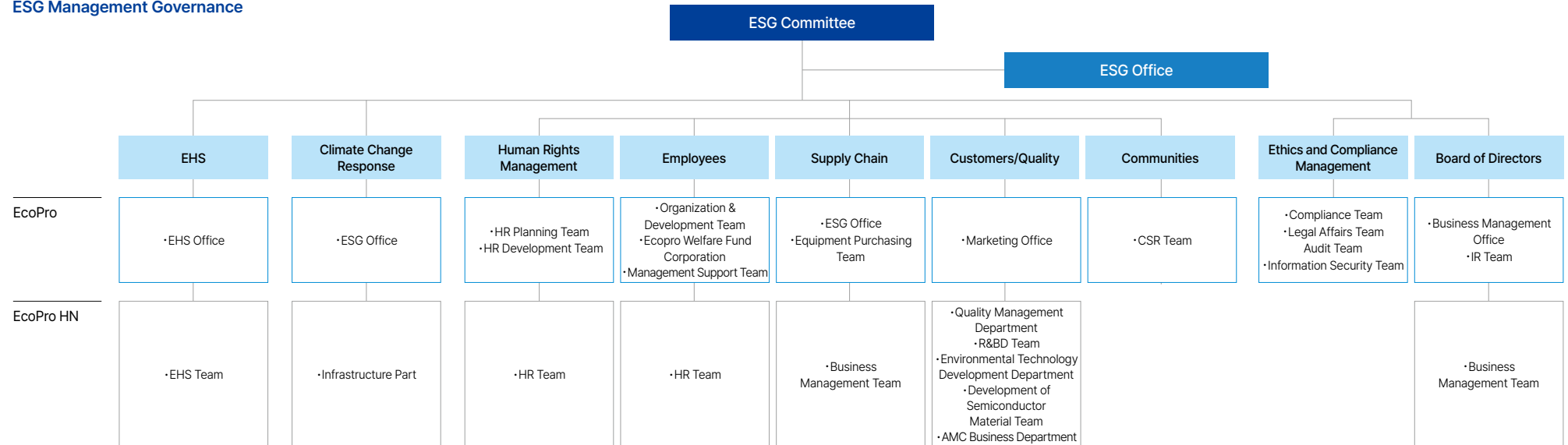
ESG Management Structure

We have developed a group-wide ESG management system that applies to all EcoPro Group companies. EcoPro Group's ESG vision, shared values, and core goals guide the ESG management direction across the group, while each company is tasked with implementing specific actions and practices. For group-level deliberation and decision-making on ESG-related matters, the holding company operates the ESG Committee, and the ESG Office is responsible for planning and executing ESG management across the entire group.

ESG Management Goals



ESG Management Governance



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Mid- to Long-Term ESG Management Goals and Roadmap

We have set both short-term, three-year goals and long-term goals extending to 2050, focusing on four key areas closely linked with EcoPro HN's business environment: human rights, carbon, supply chain, and risk. For each ESG issue, we develop and manage specific strategies, detailed tasks, and measurable targets (KPIs) to guide our efforts.

ESG Goals and Activities

		Short-term			Mid-term	Long-term
		~ 2024	~ 2025	~ 2026	~ 2035	~ 2050
Human rights		<ul style="list-style-type: none"> • Introduce a human rights management system <ul style="list-style-type: none"> - Establish the Human Rights Declaration and make it public - Promote human rights management programs (grievance handling, whistleblowing, etc.) 	<ul style="list-style-type: none"> • Solidify the human rights management system <ul style="list-style-type: none"> - Strengthen human rights education - Conduct human rights impact assessment and identify tasks 	<ul style="list-style-type: none"> • Fully establish the human rights management system <ul style="list-style-type: none"> - Practice human rights management and make disclosure - Expand the scope of human rights risk management (prevention and monitoring) 		
Carbon		<ul style="list-style-type: none"> • Analyze operation/product-specific carbon emissions • Ensure visibility to the supply chain 	<ul style="list-style-type: none"> • Develop carbon reduction action plans • Assign supply chain carbon targets 	<ul style="list-style-type: none"> • Automatically calculate emissions (in connection with ERP/MES) • Monitor supply chain carbon emissions 	<ul style="list-style-type: none"> • Reduce carbon emissions by 55% 	<ul style="list-style-type: none"> • Achieve carbon neutrality
Supply chain		<ul style="list-style-type: none"> • Ensure visibility to the supply chain <ul style="list-style-type: none"> - Categorize the supply chain - Conduct ESG assessments for key suppliers 	<ul style="list-style-type: none"> • Develop a sophisticated supply chain management system <ul style="list-style-type: none"> - Establish category-specific assessment systems - Introduce compulsory ESG assessments for all suppliers 	<ul style="list-style-type: none"> • Tighten supply chain management <ul style="list-style-type: none"> - Establish a risk monitoring system 	<ul style="list-style-type: none"> • Establish secondary and tertiary supply chain management system 	<ul style="list-style-type: none"> • Achieve zero supply chain risk
Risk		<ul style="list-style-type: none"> • Review the risk management system <ul style="list-style-type: none"> - Organize a risk management committee 	<ul style="list-style-type: none"> • Advance the risk management system <ul style="list-style-type: none"> - Revamp the monitoring system - Expand the monitoring department 	<ul style="list-style-type: none"> • Tighten the risk management system <ul style="list-style-type: none"> - Introduce monitoring to all departments 		

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Stakeholder Engagement and Communication

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

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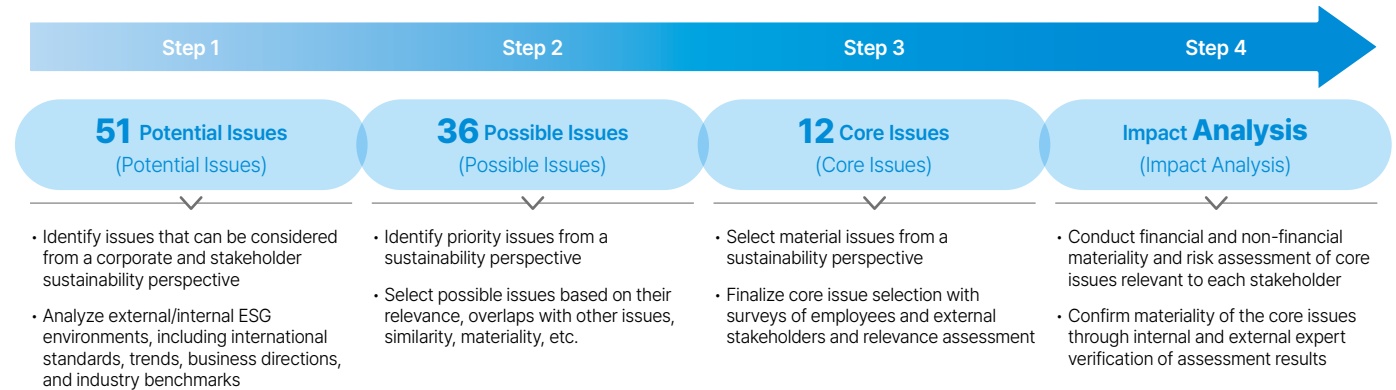
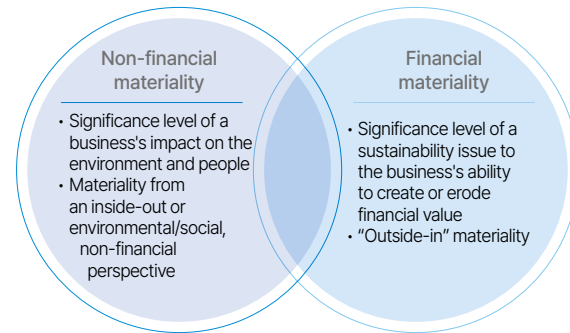
Our Sustainability

Double Materiality Assessment

At EcoPro HN, 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).



Double Materiality Assessment Methodology

Category	Method	Details	
51 potential issues	External environment analysis	International standards review GRI Standards, UN SDGs, TCFD, SASB, ISO 26000, K-ESG indicators	
	Internal environment analysis	ESG trend survey	ESG trend survey of global secondary battery industries and markets (corporate value chain (supply chain structure, raw materials, investment, etc.))
		Business orientation and status	Website, business overview, business reports, and other business data analysis
		Industry benchmarking	ESG issue survey of secondary battery and environmental system companies
		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)
36 possible issues	Relevance review	External ESG expert review Weighting of issues identified from internal and external ESG environmental analysis based on frequency, similarity, and materiality	
12 core issues	Survey	Stakeholder engagement Inputs on material issues from employees, customers, shareholders/investors, suppliers, and governments/municipalities (February 14–28, 2024)	
Impact analysis	Relevance review	External ESG expert review External ESG experts' comments on the results of the impact analysis of stakeholder-specific core ESG issues	

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Core ESG Issues

We identified 12 core issues from a pool of 36 potential topics through stakeholder surveys and expert opinions. These issues were analyzed for their financial and non-financial materiality, guiding the establishment of our mid- to long-term ESG goals and priorities. Moving forward, we will measure the materiality of these 12 core ESG issues and incorporate them into our corporate ESG management system to ensure a proactive and structured response.



Category	No.	Core ESG issue	Financial materiality	Non-financial materiality	Stakeholder-specific materiality						GRI Index	UN SDGs	Page
					Employees	Customers	Shareholders/ investors	Suppliers	Governments/ municipalities	Local communities			
Business management, economy/governance	1	Quality management and technology innovation	H	M	H	H	H	M	M	H	-	Goal 8	13-18, 28, 51-53
	2	Investment in future growth drivers	H	H	H	H	H	H	H	H	-	Goal 9	8, 18
	3	Ethical management and anti-corruption	M	L	M	H	L	H	M	L	GRI 205	Goal 16	61-62
Environment	4	Climate change response	L	H	L	H	H	M	H	H	GRI 302, GRI 305	Goal 13	26-28
	5	EHS responsibility for chemicals	H	M	H	L	H	L	H	L	-	-	36
	6	Pollutants reduction	M	H	M	H	H	H	H	H	GRI 305	Goal 6	32-33
Employees	7	Working environment improvement for work-life balance	H	H	H	L	H	L	H	H	GRI 401	Goal 8	45-46
	8	Workplace safety and health	M	M	M	L	H	M	H	H	GRI 403	Goal 3	30-31, 35-38
	9	Fair employment and management	H	L	H	H	L	M	L	H	GRI 401	Goal 8	43
Society	10	Customer health and safety	M	L	M	H	H	L	L	H	GRI 416	Goal 12	51-54
	11	Expansion of legal and compliance management	H	M	H	H	H	M	H	L	GRI 2	Goal 16	61-62
	12	Responsible supply chain management	L	L	L	L	H	H	M	L	GRI 308, GRI 414	Goal 17	48-49

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

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Response to Climate Change



Key Performance

Scope 3 Emissions Disclosure

Selected 10 categories

Set carbon neutrality goals based on SBTi

Achieve 40% reduction by 2030 and carbon neutrality by 2050

Develop climate change mitigation technologies

CO₂ capture, plastic pyrolysis, etc.

Background

Every product emits greenhouse gases throughout its life cycle, from raw material extraction to disposal. Our stakeholders are increasingly concerned with understanding our role within this life cycle and the environmental impact of our business activities. They are shifting their focus from merely statistical data on emissions categorized into Scopes 1, 2, and 3, to scrutinizing our efforts to reduce emissions and the tangible outcomes of these efforts. Our actions and the actual reductions we achieve are drawing significant attention.

Management Approach

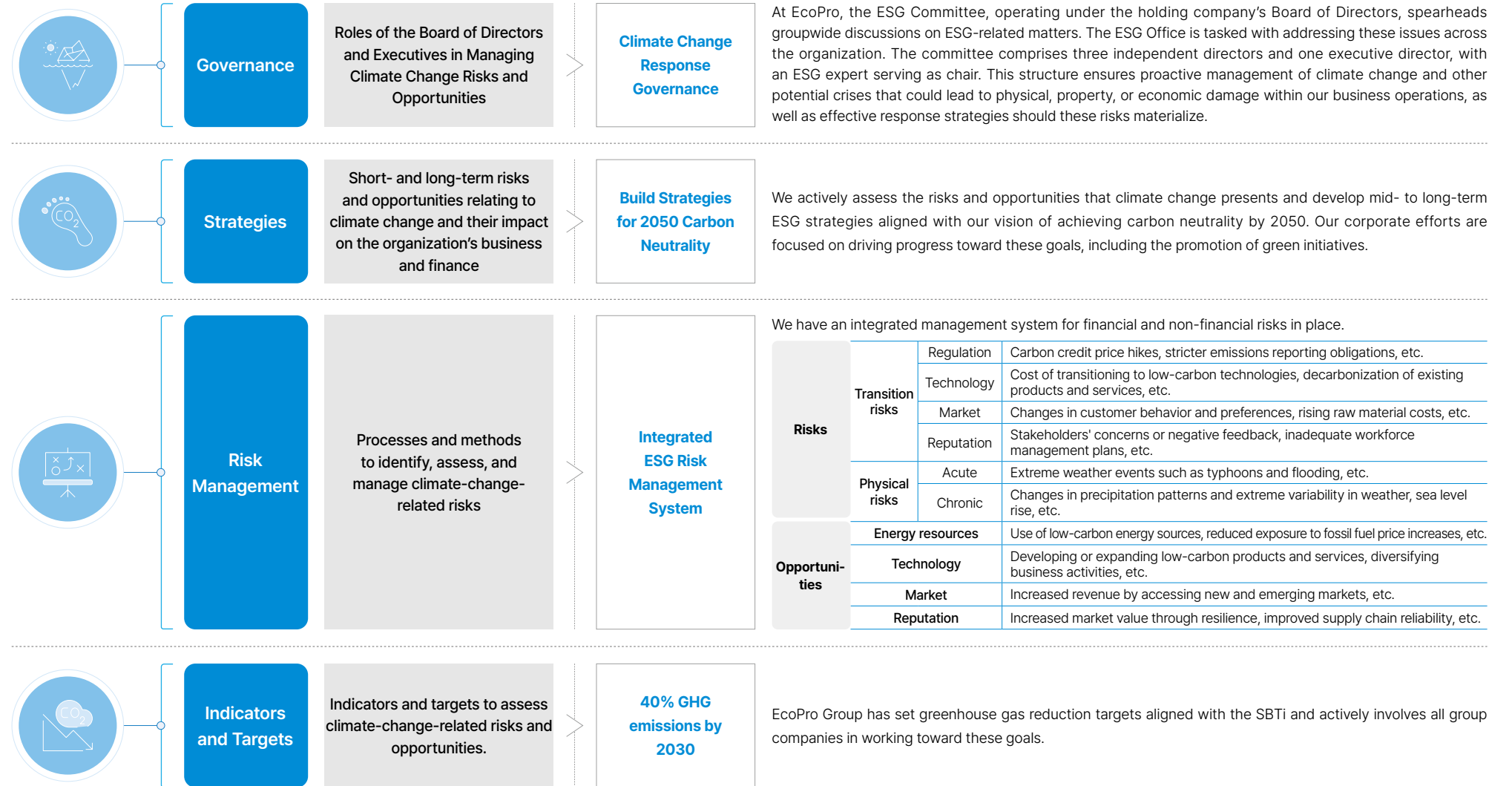
As part of our commitment to addressing climate change, EcoPro HN discloses relevant information in accordance with the TCFD reporting standards. We have set reduction targets using the SBTi methodology, which guides our planning and implementation of various greenhouse gas reduction and energy-saving activities. Specifically, we are dedicated to developing innovative technologies within our core business areas to deliver comprehensive green solutions. These include resource circulation technologies, such as the resourcification of sodium sulfate and waste plastic pyrolysis, as well as carbon-neutral technologies focused on carbon capture and environmentally friendly ships.

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Response to Climate Change

At EcoPro HN, we have developed comprehensive climate change response strategies focused on four key areas: governance, strategy, risk management, and targets and indicators. Under the leadership of EcoPro Group, we are fully committed to implementing mitigation activities and achieving our greenhouse gas (GHG) reduction targets in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) and the Science Based Targets initiative (SBTi).



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Green Workplace Management

EcoPro Group has established a comprehensive climate change response system that engages all group companies. We disclose information across four key areas—governance, strategy, risk management, and targets and indicators—in line with TCFD guidelines. To ensure transparency and accuracy, we closely monitor global guidelines for any changes or updates, assess potential climate change risks and opportunities, and publicly report our responses in annual reports.

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	Scope 1, 2
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

EcoPro Group's Total GHG Emissions (Scopes 1+2)

(Unit: tCO₂e)

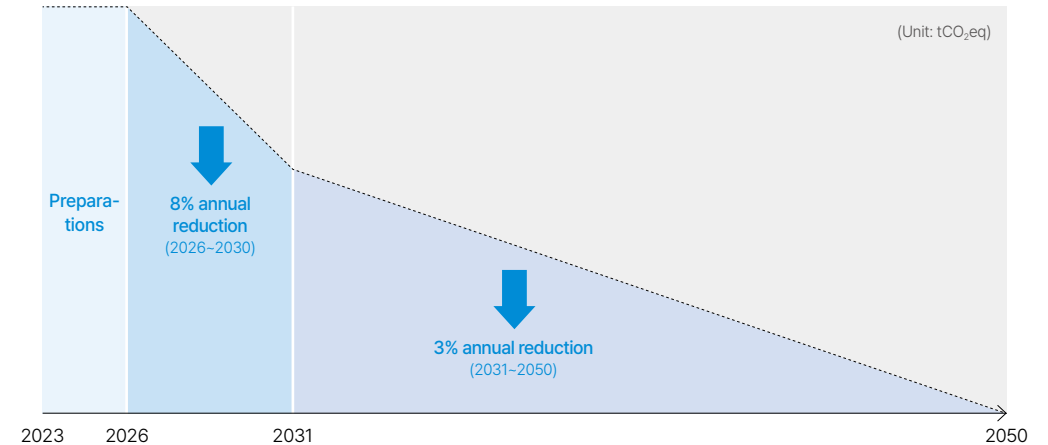
EcoPro Group	2023
EcoPro HN	4,517
EcoPro BM	125,140
EcoPro EM	116,425
EcoPro Materials	67,914
EcoPro Innovation	24,897
EcoPro CnG	5,513
EcoPro AP	36,982
Total emissions	381,388

EcoPro HN's Scope 3 Emissions

(Unit: tCO₂e)

Category	Scope 3 Emissions
1. Raw materials production	34,685
2. Capital goods (asset acquisition)	311
3. Fuel- and energy-related activities	360
4. Upstream transportation and distribution	7,666
5. Waste generated in operations	17
6. Business travel	237
7. Employee commuting	338
8. Upstream leased assets	33
9. Downstream transportation and distribution	177
13. Downstream leased assets	5,034

SBTi Reduction Targets



Verification Opinion Statement (01-24370)

GHG Emissions | **EcoPro HN**

Verification Target: EcoPro HN has established a comprehensive climate change response system that engages all group companies. We disclose information across four key areas—governance, strategy, risk management, and targets and indicators—in line with TCFD guidelines. To ensure transparency and accuracy, we closely monitor global guidelines for any changes or updates, assess potential climate change risks and opportunities, and publicly report our responses in annual reports.

Verification Scope: The verification scope covered all facilities and emission sources under the operational control and organizational boundary of EcoPro HN during 2023.

Verification Criteria: The verification criteria were based on ISO 14064 for emission reporting and certification of greenhouse gas emission trading (ISO 14064-3) and ISO 14064-1 for emission reporting and certification of greenhouse gas emission trading (ISO 14064-1).

Level of Assurance: The verification was performed in accordance with the assurance level specified in ISO 14064-3 and the assurance level of the verification was performed to satisfy the limited assurance level.

Verification Opinion: Through the verification process according to the ISO 14064-3:2009, HQ could obtain reasonable basis to express limited assurance on the greenhouse gas emission data.

Year	Scope 1	Scope 2	Total
2021	946	1,665	2,611
2022	916	3,646	4,562
2023	973	3,544	4,517

Verification Opinion Statement (01-24381)

GHG Emissions | **EcoPro BM**

Verification Target: EcoPro BM has established a comprehensive climate change response system that engages all group companies. We disclose information across four key areas—governance, strategy, risk management, and targets and indicators—in line with TCFD guidelines. To ensure transparency and accuracy, we closely monitor global guidelines for any changes or updates, assess potential climate change risks and opportunities, and publicly report our responses in annual reports.

Verification Scope: The verification scope covered all facilities and emission sources under the operational control and organizational boundary of EcoPro BM during 2023.

Verification Criteria: The verification criteria were based on ISO 14064 for emission reporting and certification of greenhouse gas emission trading (ISO 14064-3) and ISO 14064-1 for emission reporting and certification of greenhouse gas emission trading (ISO 14064-1).

Level of Assurance: The verification was performed in accordance with the assurance level specified in ISO 14064-3 and the assurance level of the verification was performed to satisfy the limited assurance level.

Verification Opinion: Through the verification process according to the ISO 14064-3:2009, HQ could obtain reasonable basis to express limited assurance on the greenhouse gas emission data.

Appendix A. Summary of Scope 3 GHG Emission Results

Appendix A. Summary of Scope 3 GHG Emission Results (01-24381)

Organization: EcoPro BM

Emission calculation period: The emission calculation period is from January 1st to December 31st, 2023.

Category	Scope 3 Emissions
1. Purchased goods & services	34,685
2. Capital goods	311
3. Fuel and energy-related activities Not Included in Scope 1 or Scope 2	360
4. Upstream Transportation and Distribution	7,666
5. Waste Generated in Operations	17
6. Business Travel	237
7. Employee Commuting	338
8. Upstream Leased Assets	33
9. Downstream Transportation and Distribution	177
13. Downstream Leased Assets	5,034
Total	48,858

* GHG emissions based on the IPCC AR2 (Ministry of Environment); operational control approach to integrated GHG management for organizational boundary setting.

** GHG-specific emissions and site-specific emissions totals may differ (for site-specific emissions, decimalized values are summed to estimate corporate totals).

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Response to Climate Change

Climate Change Response for a Sustainable Future

EcoPro HN has laid a strong foundation for developing core technologies in its key business areas, positioning itself as a leader in comprehensive green solutions. By focusing on carbon-neutral and resource circulation technologies that address evolving global market and industry demands, we aim to generate both economic and environmental value for EcoPro Group and contribute to our clients' economic value creation.

Carbon Neutrality Technology Development

Carbon Capture Technology

EcoPro HN is actively developing carbon capture and utilization (CCU) technology and building a robust business model around it. Leveraging carbon capture materials technology obtained from a state-funded research institute, along with our proprietary technology, we aim to enable CCU across EcoPro Group companies and other industrial applications. By capturing carbon dioxide from the atmosphere and oceans and converting it into high-value-added products, we are committed to playing a significant role in achieving carbon neutrality.

Green Ship Technology

As part of its commitment to the hydrogen economy and carbon neutrality, EcoPro HN is developing innovative technology to reform and convert ammonia into hydrogen. This technology is designed for eco-friendly LNG-hydrogen hybrid propulsion ships, addressing the increasing demand for carbon reduction in the maritime industry. Beyond shipping, the technology has the potential to significantly reduce emissions across various industries in Korea by substituting hydrogen for traditional energy sources.


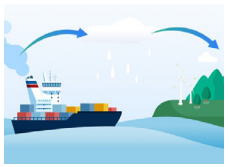
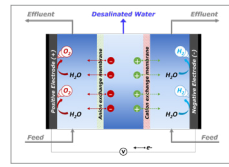

Resource circulation Technology Development

Resourcification of Sodium Sulfate from Secondary Batteries

This technology is designed to reuse wastewater from secondary batteries. Battery recycling and precursor production generate significant amounts of sodium sulfate as a by-product. At EcoPro HN, we utilize our proprietary technology to decompose this sodium sulfate and reintegrate it into the secondary battery materials development process. This approach not only supports the EcoPro Group companies in achieving zero wastewater but also contributes to the closed-loop ecosystem, a resource circulation initiative within the EcoPro Group, by efficiently recycling the recovered sodium sulfate.

Waste Plastic Pyrolysis

EcoPro HN advances carbon neutrality by recycling the rapidly increasing volume of waste plastics through waste plastic pyrolysis. This process converts waste plastics into pyrolysis oil or naphtha, which are then used in petrochemical production. This not only supports the transition to a circular economy but also contributes to reducing greenhouse gas emissions from the petrochemical industry, which is the second largest emitter in Korea.

Carbon Neutrality		Circular Economy (Resource circulation)	
<h4>CO₂ Conversion Technologies</h4>  <ul style="list-style-type: none"> • A major greenhouse gas • CCUS technology development • Wet and dry methods • CCU project participation 	<h4>Green Ship Technology</h4>  <ul style="list-style-type: none"> • Response to carbon tax imposition • Exhaust gas treatment catalysts • CH₄ removal, NH₃ reforming • Green energy supply systems 	<h4>Resourcification of Sodium Sulfate from Secondary Batteries</h4>  <ul style="list-style-type: none"> • Low-cost desalting process • Based on electrolysis technology • Production of high-value-added resources 	<h4>Waste plastic pyrolysis</h4>  <ul style="list-style-type: none"> • Waste resource recycling • Pyrolysis technology development • Syngas hydrogen production • Commercialization in connection with the local economy

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EHS



Key Performance

Established an integrated EHS system

Management based on ISO 14001 and ISO 45001 global standards

Background

Businesses are adopting stricter standards beyond local and international legal requirements to create a safer working environment for their employees.

It is crucial to enhance safety awareness through tailored online and offline training programs, which should include segmenting safety-related tasks and defining specific timelines for safety training.

All business operations generate pollution throughout their life cycle, impacting the surrounding environment and local communities.

Global stakeholders are increasingly interested not only in traditional environmental data, such as water management and waste, but also in the broader environmental impacts that illustrate how businesses interact with their surroundings.

Management Approach

At EcoPro HN, we conduct environmental management in multifaceted ways to minimize environmental impacts and reduce emissions from product production. We also promote safety and health management centered on disaster prevention with a strong commitment to not tolerate any accidents.

- Environmental, health, and safety (EHS) management system
- Green workplace management
- Health and safety activities and performance
- Promoting employee health
- Emergency response

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Environment, Health, and Safety (EHS) System

EcoPro HN is dedicated to protecting the environment by minimizing pollutant emissions and complying with environmental laws and regulations. We have established detailed guidelines to identify and mitigate potential risk factors, provide customized training for employees, and implement safety measures tailored to our workplace settings with the aim to create a safe and healthy working environment and prevent major accidents.

EHS Policy

Guided by our overarching goal of minimizing pollutant emissions, we have established detailed guidelines for setting and achieving reduction targets under our EHS policy. Our EHS policy and management review procedures ensure effective communication of top management's directions and goals to all employees and establish processes for efficient management and continuous improvement. To safeguard employee safety and health, we continually enhance work environments and conduct regular risk management and safety hazard evaluations. We also require our suppliers and site visitors to adhere to our EHS policy and standards, monitoring their compliance to maintain the same safety and environmental standards as we do.

EHS Management Goals

We set short-term EHS goals each year and analyze past performance for continuous improvement. In setting the EHS goals, we identify local and international environmental laws and regulations and other requirements, prepare responses, and reflect them in our goals. We also consider various stakeholder opinions and the results of EHS risk and opportunity analyses.

The EHS Team compiles and analyzes goal-related data, which is reported to the Chief Operating Officer (COO) annually. Additionally, the team-specific goal progress is reviewed and reported to the COO semiannually. Action plans are developed for areas needing improvement, and the results are reported back to the COO to enhance the effectiveness of corrective measures.

EcoPro HN

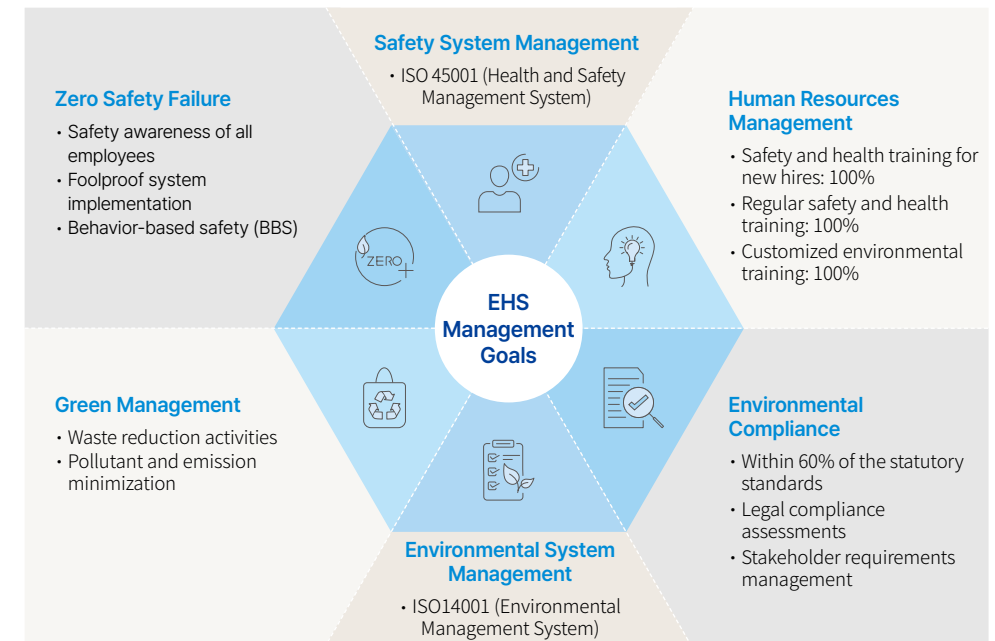
EHS Policy

EcoPro HN is committed to preventing major accidents by providing a safe and healthy working environment for its employees and contributing to the quality of people's lives by minimizing pollutant emissions. To achieve these goals, we have established the following policy for the operation of the environment, health and safety (EHS) management system.

- 01 We identify potential risks and proactively eliminate risk factors for industrial accidents.
- 02 We strive for zero accidents through customized employee training and tailored workplace safety measures.
- 03 We establish pollutant reduction targets and strive to reduce pollutant emissions.

EcoPro HN
CEO, EcoPro HN Kim Jong-seop 3/6

EHS Decision-Making Structure



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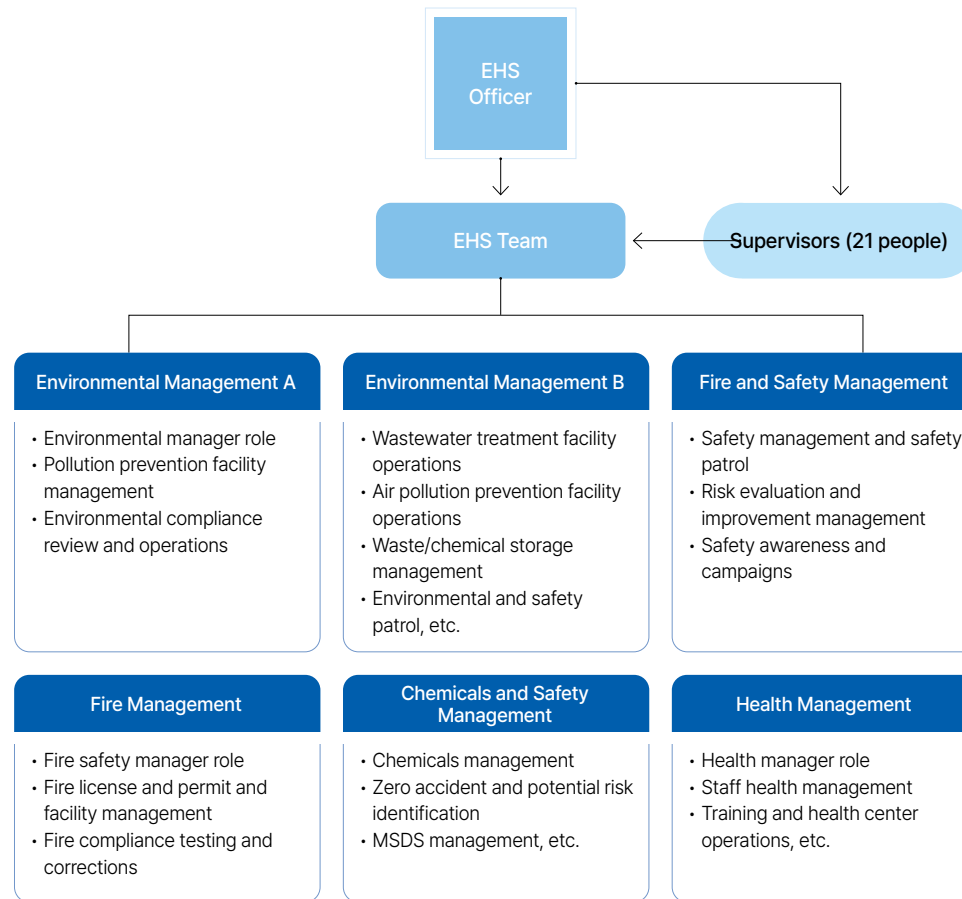
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EHS Management Governance

At EcoPro HN, the COO oversees overall EHS management, while the EHS Team handles day-to-day operations. We have appointed dedicated staff for fire safety, health, and chemical management, along with 21 supervisors across various ranks and positions, who are responsible for providing regular training leveraging their expertise.



Environmental Management System and Safety and Health Management System Certification

We first achieved ISO 14001 Environmental Management System certification in 2010 and have successfully renewed it for 13 years. Our Ochang plant is operated in line with this global-standard environmental management system.

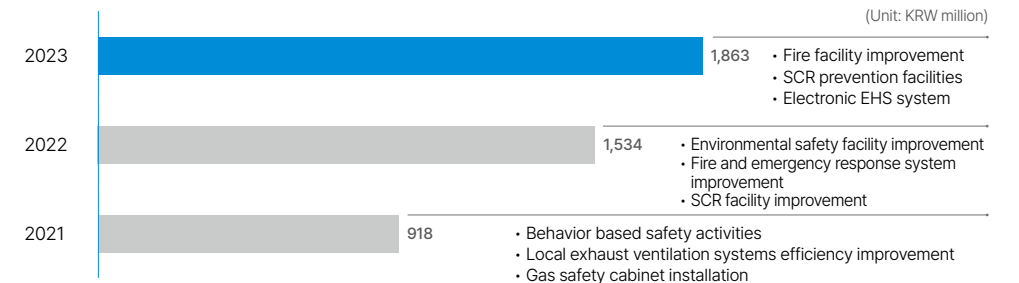
In adherence to safety and health regulations and our internal occupational safety rules, EcoPro HN has also obtained ISO 45001 certification. This certification supports our ongoing safety and health promotion activities and helps us systematically identify and manage risks across our operations.



EHS Investment

Each year, we increase our investments to strengthen EHS management. In particular, we built an integrated EHS system in 2023 to manage operations in real time and proactively respond to local and international compliance issues.

Investment by Year



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Green Workplace Management

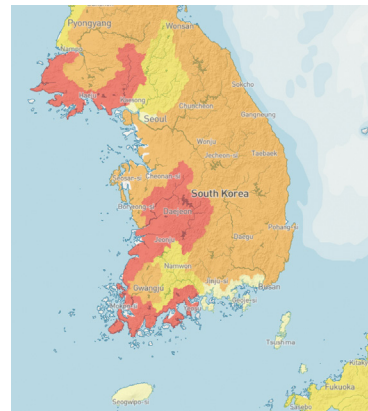
Aiming to build green business sites, EcoPro Group sets and pursues data-driven reduction methods and targets. We identify the environmental impacts of our business activities, periodically assess their magnitude, and work to mitigate both direct and indirect effects. This involves proactively analyzing and managing potential environmental phenomena and risk factors.

Water Management

EcoPro Group surveys water stress at each of its sites and shares information with stakeholders on areas experiencing water stress to foster consensus on water protection. In line with this initiative, EcoPro HN also analyzes water stress in Cheongju and provides relevant disclosures.

Area-Specific Water Stress

(As of April 2024)



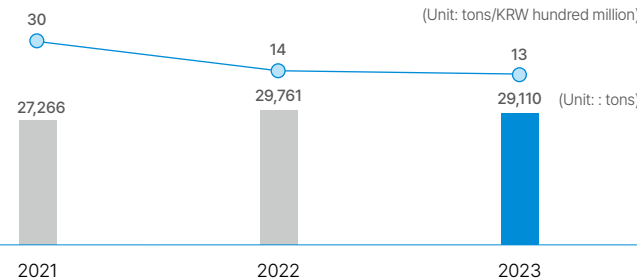
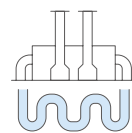
Area	Water Stress
Cheongju	High

Water Stress	
	Low <10%
	Low-medium 10~20%
	Medium-high 20~40%
	High 40~80%
	Extremely high >80%

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

Water usage

■ Water usage
○ Water consumption compared to sales



* Water use intensity and waste generation are significantly higher in 2021 compared to other years because the company was spun off from EcoPro in November 2021.

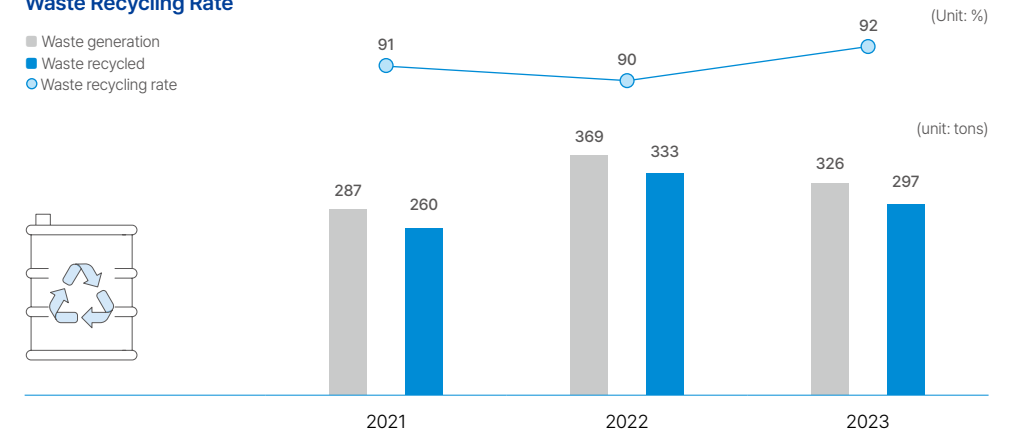
Waste Management

We employ distinct treatment approaches for general waste and designated waste. The primary waste generated from our operations includes waste synthetic resin, wastewater treatment sludge, waste wood, and waste filters. Over 90% of these materials are recycled, with detailed records maintained in accordance with statutory requirements.

Category	Unit	2021	2022	2023
Waste generation	Tons	287	369	326
Waste generation intensity	Tons/KRW hundred million (revenue)	0.32	0.17	0.14
Waste recycled	Tons	260	333	297
Waste recycling rate (through external services)	%	91	90	92

Waste Recycling Rate

■ Waste generation
■ Waste recycled
○ Waste recycling rate



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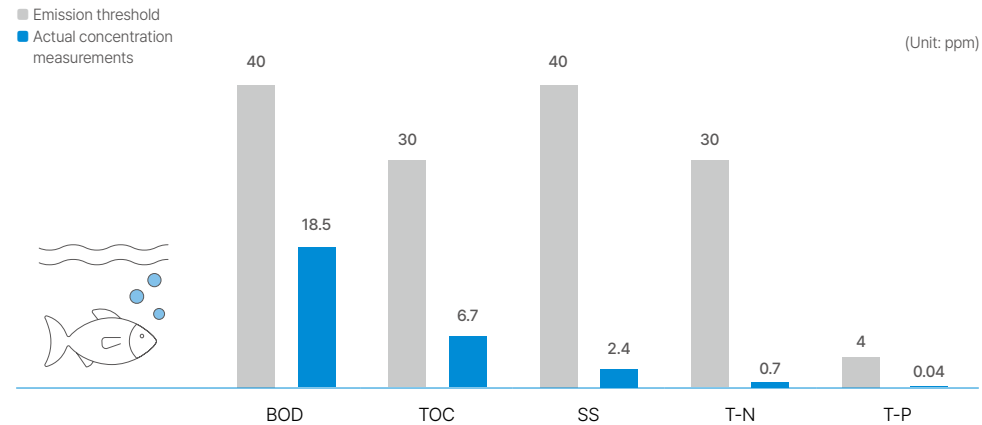
Wastewater Management and Reduction

We monitor wastewater and manage pollutants and potential pollution sources from our production activities. Our water quality management guidelines provide clear instructions on how wastewater should be treated and discharged. We also maintain rigorous control over water quality management systems and consumables, using operation logs and checklists to ensure compliance and efficiency.

(As of 2023)

Category	Unit	Emission threshold	Actual concentration measurements	
Water pollutants discharged	BOD	ppm	40	18.5
	TOC	ppm	30	6.7
	SS	ppm	40	2.4
	T-N	ppm	30	0.7
	T-P	ppm	4	0.04

Water pollutants



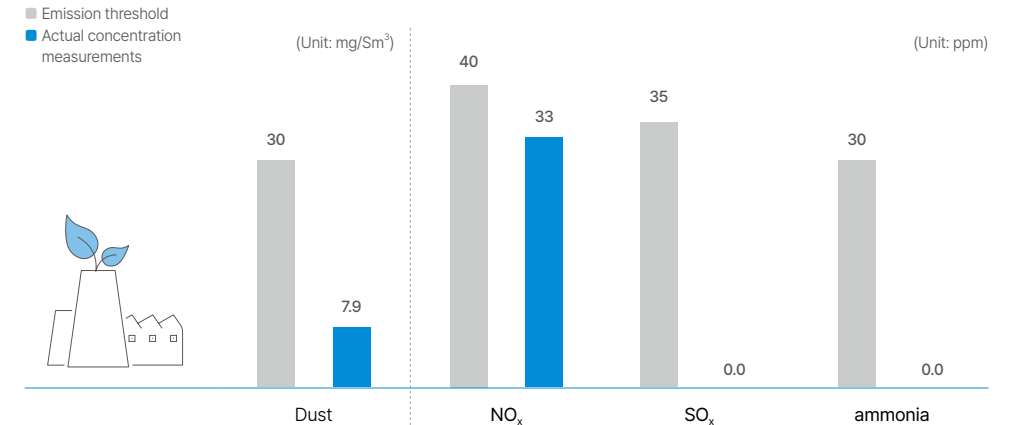
Air Pollution Management and Reduction

We use air pollution measurement systems to identify the types of air pollutants and measure the amounts. We also maintain rigorous control over air pollution reduction systems and consumables, using operation logs and checklists to ensure compliance and efficiency.

(As of 2023)

Category	Unit	Emission threshold	Actual concentration measurements	
Air pollutant emissions	Dust	mg/Sm ³	30	7.9
	NOx (nitrogen oxides)	ppm	40	33
	SOx (sulfur oxides)	ppm	35	0.0
	ammonia	ppm	30	0.0

Air pollutants



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Environmental Impact Assessment and Management

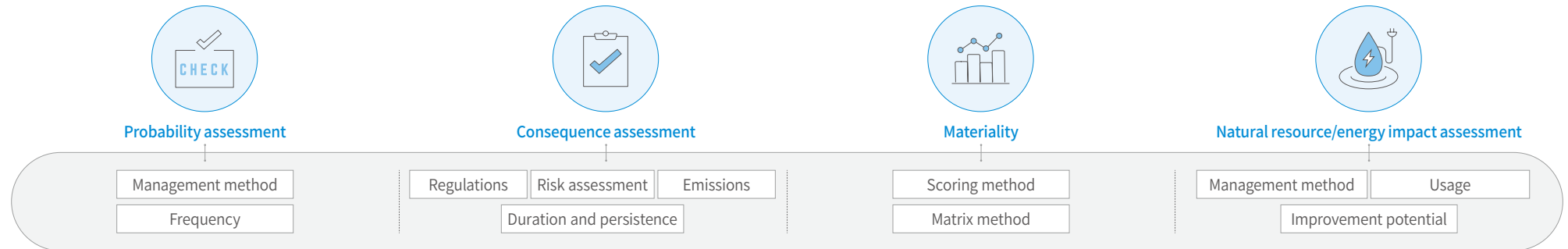
The head of the EHS Team and the head of the Operations Team are responsible for managing and monitoring changes in emission and prevention facilities, fire and hazardous materials facilities, installations, and raw materials to ensure compliance with domestic environmental laws and regulations, including those relating to air quality, waste, water quality, and chemicals. We use checklists for these monitoring activities and engage external professionals to conduct measurements and inspections at least once a year.

We also perform environmental impact assessments on suppliers of raw materials, auxiliary materials, and services to identify major environmental risks and assess the severity of these risks. Through our purchase management procedures, we communicate our environmental expectations to suppliers, ensuring alignment with our standards.

Environmental Impact Assessment Process



Environmental Impact Assessment Criteria



Providing Environmental Education and Fostering Environmental Experts

To internalize environmental management, we provide regular training to new hires and all employees. In addition, we offer a range of statutory and non-statutory training programs, including environmental education and technical training, to develop environmental experts within our organization. These programs are categorized into regular and extraordinary sessions, and we collaborate with external service providers when necessary to leverage their specialized expertise.

Biodiversity

EcoPro HN is committed to the conservation of biodiversity. We recognize the need to address the loss of natural habitats, preserve genetic diversity, and promote sustainable practices in agriculture, aquaculture, and forestry. In addition, we are dedicated to ensuring the sustainable management of fisheries resources.

Level of threat	Cheongju
Endangered Wildlife Class I	Lutra lutra
Endangered Wildlife Class II	Cigaritis takanonis, Charadrius placidus, Pelophylax chosonicus, Kaloula borealis

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EHS Activities and Performance

To create a safe workplace, we conduct comprehensive assessments and establish a safety-driven monitoring system to eliminate major risks through self-analysis. We provide training and implement various programs to internalize a strong safety culture within our organization and encourage our suppliers to participate actively in these initiatives as well.

Occupational Safety and Health Committee

The Occupational Safety and Health Committee at EcoPro HN is made up of equal numbers of labor and management representatives, ensuring balanced input. Employee representatives include the president of the Family Council and appointees, while employer representatives are led by the EHS Officer and their appointed members. The committee convenes regular meetings once a quarter, with the option for additional extraordinary meetings when deemed necessary by the chairperson. In 2023, the committee focused on sharing major industrial accident cases to prevent recurrences and increase safety awareness among employees. Its core responsibilities include conducting an annual review of safety and health plans and training, overseeing the measurement, inspection, and improvement of the working environment, and analyzing industrial accidents for continuous improvement.

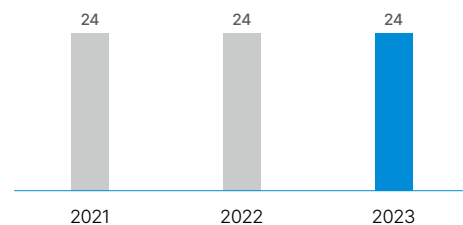
EHS Training

The EHS Team develops annual safety and health training plans, oversees training sessions, and manages outcomes. The training is categorized into several types: new hire training, training for changes in work roles, regular EHS training (tailored for field workers and office staff), supervisor EHS training, and extraordinary EHS training. In particular, the EHS Officer, Safety Officer, and Health Officer are required to undergo specialized training and periodic refreshers.

Category	Hours
New hire training	At least 8 hours
Training for changes in work roles	At least 2 hours
Extraordinary EHS training	At least 16 hours
Regular EHS training	At least 6 hours quarterly (3 hours for office workers)

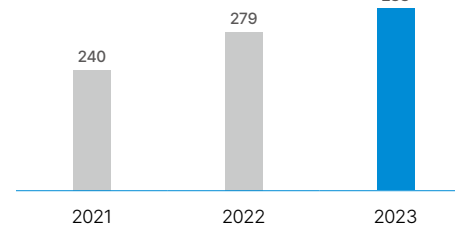
Compulsory EHS training per person

(Unit: Hours)



Total Number of Trainees

(Unit: People)



Safety Pocket Notebook Production

To enhance safety awareness among all employees and ensure adherence to internal and external regulations, we have produced a safety pocket notebook. This guide summarizes essential knowledge relating to the Occupational Safety and Health Act and general safety practices. The content is based on Korea's occupational safety and health laws and regulations, detailing the responsibilities and expectations for workers, employers, and supervisors. It is also designed to provide clear guidance on actions to take in case of an emergency.



Accident Prevention through Pre-Work Safety Practices

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Workplace Safety Review

To prevent safety accidents and enhance workplace safety, we implement a range of proactive measures.

Safety patrols are conducted at least once daily by the Safety Officer, Health Officer, or designated personnel. We use detailed inspection checklists covering devices and facilities, hazardous materials, protective gear, and signage. On-site inspections are carried out to ensure that qualified personnel oversee hazardous or dangerous work. Additionally, before the installation of hazardous machinery and equipment, the introduction of new power equipment, or the purchase of new hazardous chemicals, we conduct preliminary environmental safety assessments.

Potential Risk Identification Reward Program

To enhance safety awareness and encourage proactive risk identification, we have implemented a Potential Risk Identification Reward Program. This initiative aims to engage employees actively in recognizing and reporting potential risks. Quarterly rewards are given for the most valuable suggestions and the most innovative ideas. By listening to employees' insights and integrating their suggestions into our safety practices, we achieve tangible improvements in workplace safety.



Potential Risk Identification Reward Program

Hazardous Chemicals Management

Material safety data sheets (MSDSs) are prominently posted in all areas where chemicals or products containing chemicals are transported, used, or stored.

Category	Details	Management	Cycle	Relevant standards
Chemical Substance Management	Management of toxic and hazardous materials used in production or generated as by-products.	1) Use and dispose of in accordance with the chemicals management guidelines. 2) Treat after use in accordance with the waste management guidelines.	As needed	Chemical Substance Management
MSDS management	Material-specific safety management based on toxic/hazardous substance management in production.	1) Obtain and retain MSDS when purchasing chemicals. 2) Disseminate and maintain to relevant processes and teams. 3) Conduct regular training.	As scheduled	Adequacy evaluation

MSDS Highlights	MSDS Management Know-How
<ul style="list-style-type: none"> Information about the chemical and the manufacturer Physicochemical properties Hazards and risks Stability and reactivity Constituents and contents 	<ul style="list-style-type: none"> Product name Health and environmental hazards, physical hazards Safety and health handling precautions Appropriate personal protective equipment First aid and what to do in case of an accident

Regulatory Response

At EcoPro HN, our approach to chemicals regulation is guided by REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), the EU's comprehensive chemicals management policy. REACH regulates chemicals based on their quantity and hazard, encompassing registration, evaluation, authorization, and restriction processes. Under this framework, we conducted inspections and found no hazardous substances among 224 items. We remain committed to rigorous management of chemical substance regulations to ensure safety.



REACH Test Report

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Employee Health

To safeguard our employees from work-related illnesses, musculoskeletal disorders, and mental health issues such as depression and stress, we provide regular health checkups. Adhering to domestic legal standards, we are dedicated to fostering a healthy work environment.

Field Worker Health Management

Field workers assigned or transferred to teams handling hazardous substances undergo health checkups upon assignment. Annual general medical examinations are conducted, with special medical examinations required at least once a year for those in hazardous roles. We maintain a health watchlist to monitor illnesses and health conditions closely, and actively promote health and wellness for those with general health conditions or occupational diseases.

Work Environment Survey

To safeguard the health of field workers and assess the safety of their work environments, we conduct biannual surveys to analyze and improve conditions. These surveys, entrusted to specialized organizations, are performed with worker representatives present to ensure the process is effective and incorporates field workers' feedback.

Employee Health Promotion

To support mental health management, we collaborate with specialized organizations such as Cheongju City and Cheongju Hospital. Our program addresses coping strategies for depression, stress management, and overall mental wellness, including visit counseling services. Additionally, we offer support for smokers to prevent cerebrovascular diseases and promote overall health.



세코프로 가족사 임직원의
✓건강증진을 위한
금연 캠페인

- 목적** 흡연자의 건강 관리에 의해 뇌심혈관계 질환 예방 및 올바른 생활습관 형성으로 건강한 직장문화 확산
- 일시** 6월~12월까지 6개월간 진행 (세부일정은 신청자에 의해 추후공지)
- 장소** 환경사업장 6층 건강관리실
- 대상** 금연 의지가 있는 모든 임직원 (간접흡연의 대면 상담으로 진행되어 오장 내 사업장 근무자를 대상으로 진행됨을 양해 부탁드립니다.)
- 신청** 2023년 6월 10일까지 환경안전팀 박남희에게 화선 (이메일, 유선, 문자 모두 가능 / 내선 0921)
- 운영계획** 전 과정 무료 (충북금연지원센터) 전문 상담사의 도움을 받으면 성공확률이 높아진다고 하니, 유관해 더 적극 도전에 주시기 바랍니다.
- 문의** 환경안전팀 박남희 (내선 0921)

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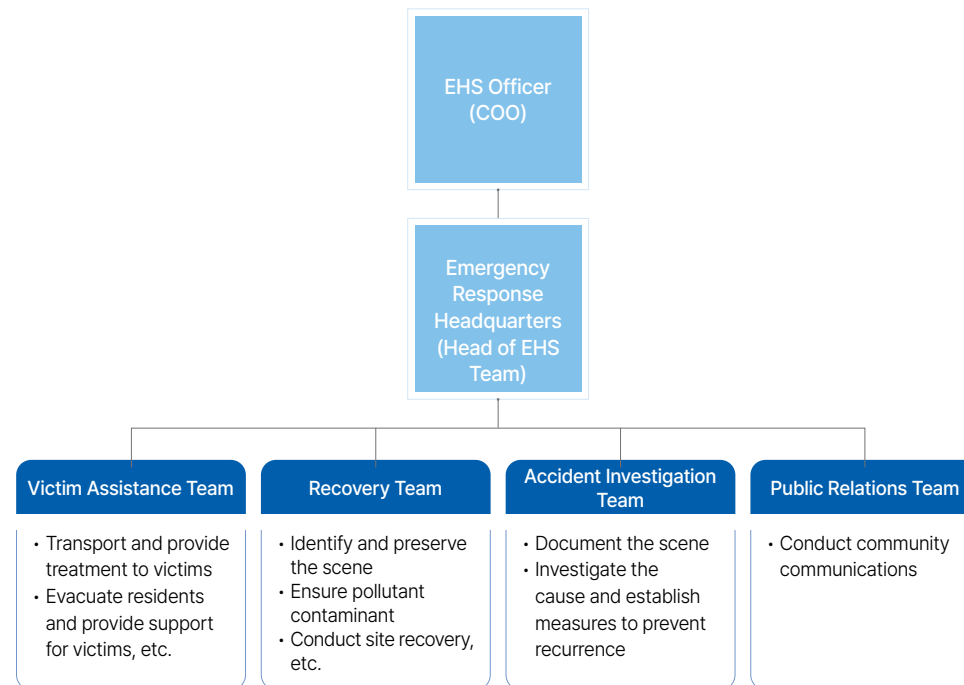
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Emergency Response

We have established an emergency response system to respond to accidents and emergencies that may arise from our operations, products, and services. Key considerations for emergency response include the nature and extent of the situation, measures to minimize environmental damage, training of response personnel, emergency organization and communication, periodic testing of response procedures, and management of potential environmental impacts.

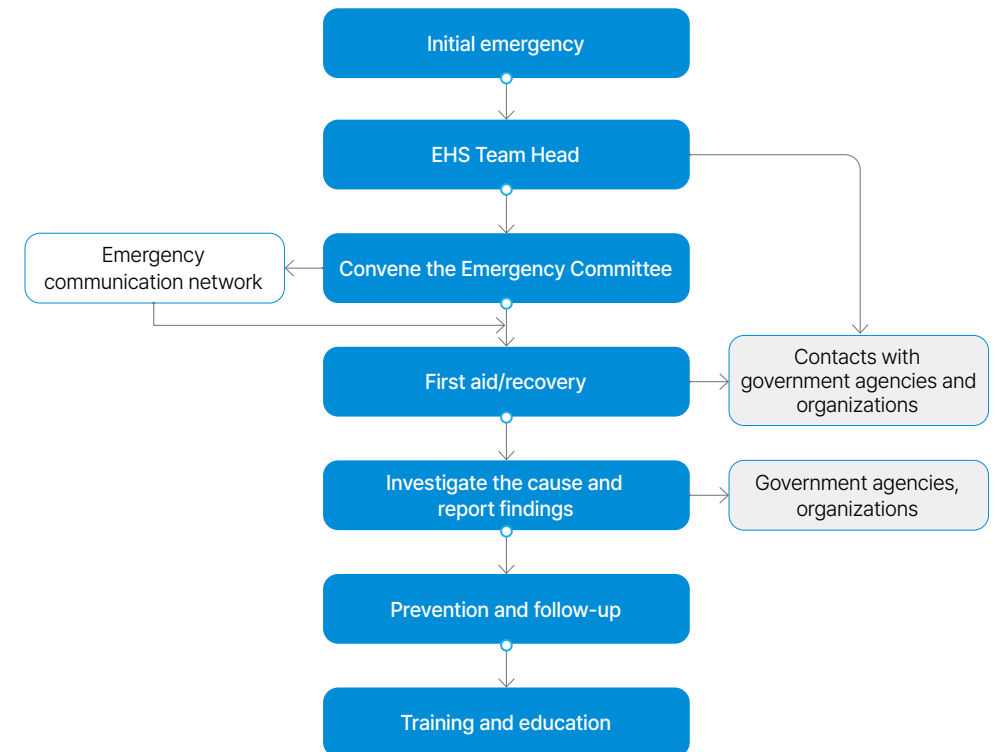
Emergency Response System

The COO serves as the EHS Officer who oversees the operations of the emergency response headquarters. Roles are clearly defined and employees are trained to respond promptly from initial report through incident investigation. We also have an emergency contact network for rapid reporting and escalation. In the event of an emergency, employees in the field have the authority to determine if the risk can be resolved and to take action to eliminate the risk, such as pressing the emergency stop button and stopping work. Once the risk has been eliminated, they report and share the results with supervisors. We stipulate that workers will not be retaliated against for stopping work and evacuating, thereby raising their safety awareness and encouraging them to take immediate action.



Emergency Response Drills

To ensure a timely response to emergencies, we conduct drills based on various scenarios, such as safety failure, fires, and major disasters. The drills are held every six months, and the results are reported to the CEO. After the drill, we collect the opinions of the participants by filling out an evaluation form to measure the effectiveness of the drill, and also listen to the opinions of the instructors and firefighters who conducted the drill to derive and apply reflections for the next drill to improve the training system.



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Human Rights Management



Key Performance

Human Rights Management Charter

Background

A company must create a culture that respects diversity without discriminating against people on the basis of gender, age, religion, race, nationality, disability, sexual orientation, etc. In order for us to move forward as a global company in a society in which we live together, we must practice sound human rights management without prejudice or discrimination.

Management Approach

EcoPro HN has declared the Human Rights Management Charter to ensure that the rights of all stakeholders are not violated in the course of management activities and business. True to this charter, we strive to practice human rights management fully.

We clearly communicate rules so that employees can make correct behavioral and value judgments, and we operate a system to consult and resolve employee grievances.

- Human rights management system

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Human Rights Management

Human Rights Management System

EcoPro HN strives to create a corporate culture of respect for human rights where all stakeholders trust each other without discrimination. We will work with other EcoPro companies to practice human rights management in accordance with the Human Rights Management Declaration and related principles.

Human Rights Management Policy

To implement human rights management, we have adopted the Human Rights Management Charter as our endorsement of and compliance with international standards and guidelines on human rights and labor, such as the Universal Declaration of Human Rights and the Ten Principles of the UNGC. We will establish a corporate culture that respects and considers the human rights of all stakeholders and strive to internalize human rights management.

Human Rights Management Charter

EcoPro HN 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 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.

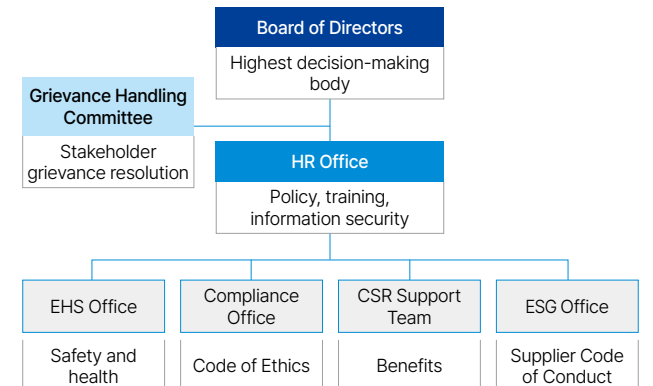
Kim Jong-seop, CEO

Human Rights Management Guiding Principles

Prohibition of Forced Labor, Child Labor, and Human Trafficking Prohibit all forms of slavery, forced labor, and human trafficking	Occupational Safety Comply with health and safety laws and standards to ensure all employees work in a safe work environment	Protect Local People's Fundamental and Environmental Rights Respect and protect the rights of local people, including their right to life, freedom to relocate, right to health and safety, and right to property ownership	Compliance with Labor Conditions Comply with country-specific statutory work hours as required by labor laws and regulations
Nondiscrimination Prohibit discrimination in employment, including recruitment, hiring, promotion, training, wages, and benefits, on the basis of gender, race, ethnicity, national origin, religion, disability, age, sexual orientation, familial status, social status, and political opinion	Freedom of Association and Collective Bargaining Comply with the labor laws of countries that have adopted the Human Rights Charter, provide employees with opportunities for free communication, and guarantee freedom of association	Customer Rights Protection Prioritize the protection of customers' life, health, and property and take the best available measures to protect personal information collected in the course of business activities	Responsible Supply Chain Management Establish supply chain ESG risk management policies and guidelines for suppliers and business partners

Human Rights Management Structure

The EcoPro holding company takes the initiative in making decisions regarding human rights management, in collaboration with the Human Resources Team at the working level of each group company. Moving forward, we plan to establish and implement a company-specific system for promoting human rights management.



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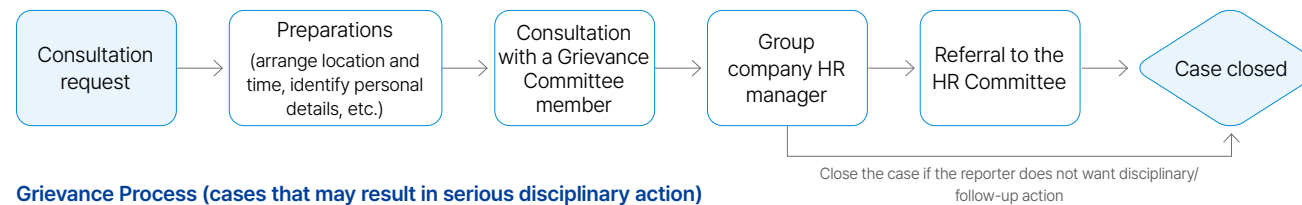
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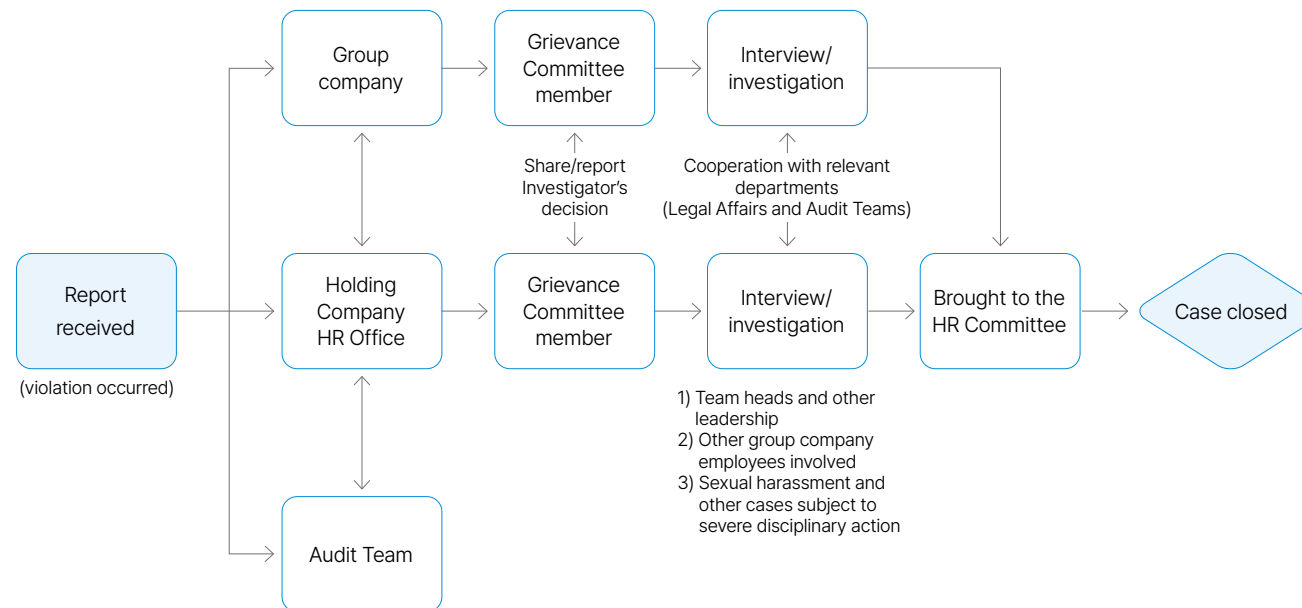
Grievance Handling

EcoPro HN has established a comprehensive grievance handling system that is applicable across all EcoPro Group companies. This system allows stakeholders to report grievances through various channels, including online platforms (website, email, and social media) and via telephone, ensuring accessibility at any time. The grievance system covers three main areas: daily operations, legal issues, and ethics, addressing concerns relating to unfair acts, general grievances, and human rights issues that may affect any stakeholder. Upon receiving a report, we promptly assign a responsible person and notify the reporter within one day. The case is then investigated by a Grievance Committee member, following verification of the facts by the relevant department. Depending on the nature of the issue, it is handled promptly and accurately, often involving the HR Committee to ensure a fair and thorough resolution.

Grievance Handling Process (general)

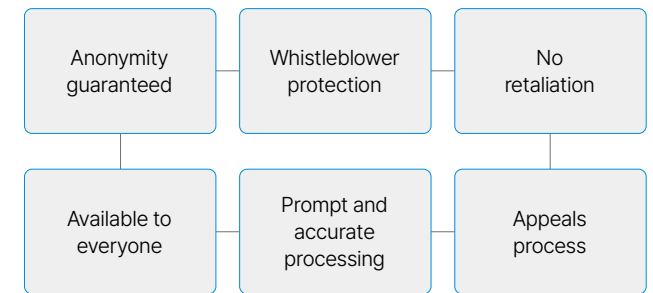


Grievance Process (cases that may result in serious disciplinary action)



Grievance Principles

Protecting whistleblowers is the overarching principle in grievance handling at EcoPro HN. 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.



Grievance Counseling Program

EcoPro HN offers expert counseling programs to 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. These grievance programs are specifically designed to protect the rights of our employees.

Human Rights Management Enhancement Plan

EcoPro HN has set clear goals and activities to enhance human rights management within the company. In 2024, we will introduce a comprehensive human rights management system, which includes designating a specific department responsible for human rights management and establishing related programs. In 2025, we plan to further strengthen this initiative by launching human rights education programs and forming a Human Rights Management Committee. As we move forward, we will also implement a system to monitor human rights risks.

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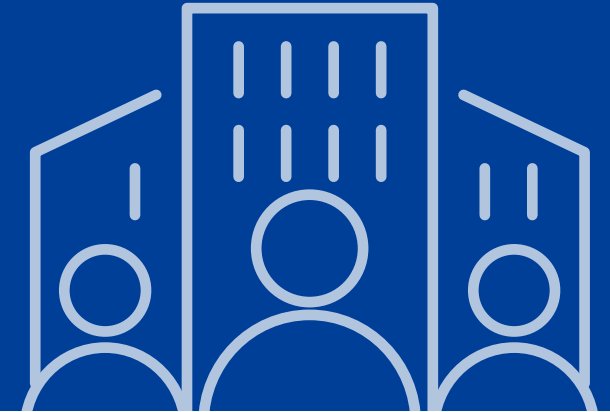
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Key Performance

International field trip for all employees to celebrate the company's 25th anniversary

Introduced flexible work arrangements

Background

Cultivating talent and fostering a healthy organizational culture are fundamental to achieving corporate sustainability. For the long-term success and sustainability of our company, it is essential to recognize the critical value of our human resources and make every effort to create a workplace where employees feel valued and supported.

This positive work environment not only enhances individual capacity building but also promotes team spirit and respect for diversity.

Management Approach

EcoPro HN operates various training programs and communication programs to improve employees' organizational engagement and create a good working environment.

- Innovative human resources management
- Communicative organizational culture
- Work-life balance
- Cooperative labor-management relationship

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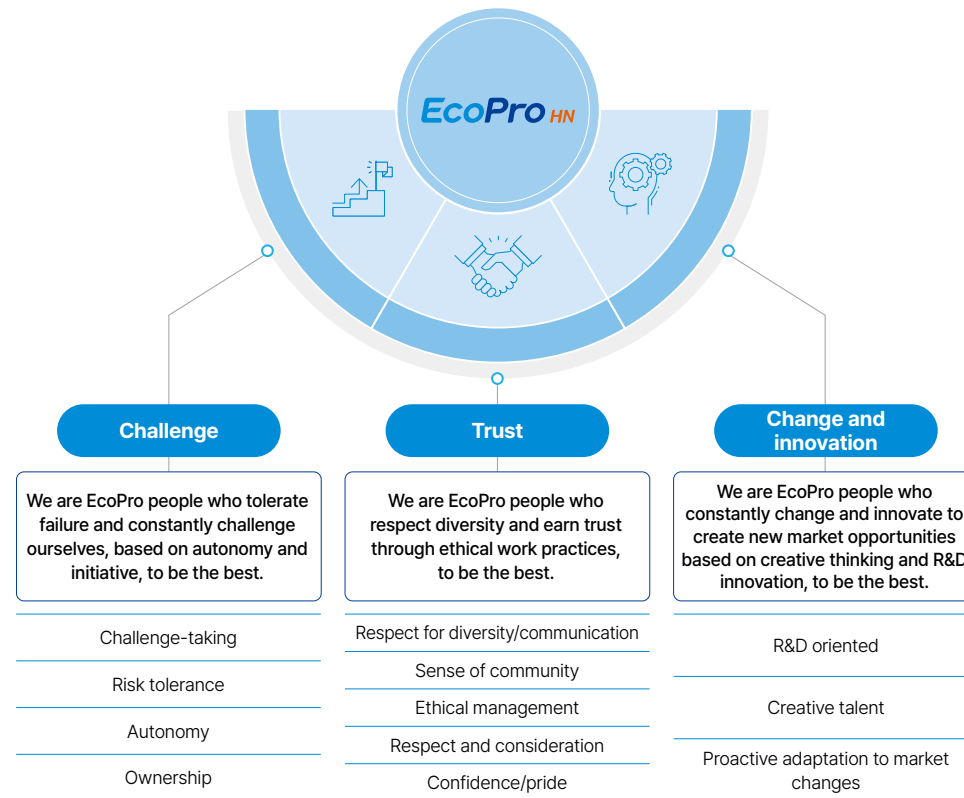
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Innovative Human Resources Management

Attracting and nurturing top talent in the era of globalization is crucial for sustaining corporate growth and success. At EcoPro HN, we have developed comprehensive systems for recruitment, performance evaluation, compensation, and talent development. These systems are grounded in our core human resources management philosophies: "challenge," "trust," and "change and innovation."

EcoPro HN's Model Talent

EcoPro HN has established a model for the ideal talent, encouraging employees to embrace creativity, continuously challenge themselves, and develop into trusted individuals. The three core values of challenge, trust, and change and innovation are deeply embedded in every facet of our human resources management, influencing everything from recruitment processes to talent development programs.



Fair Recruitment Considering Employee Diversity and Expertise

At EcoPro HN, we are committed to fair recruitment practices that emphasize employee diversity and expertise. Our recruitment process is designed to evaluate job suitability based on the specific requirements of each role, ensuring that candidates are selected fairly and objectively. We prioritize attracting talent that aligns with our future goals and possesses the necessary field-ready skills by employing tailored recruitment methods for different job categories. Discrimination based on gender, age, social status, or background is strictly prohibited in our recruitment process.

Performance Evaluation and Compensation

We ensure that employees are fairly compensated through a well-structured, performance-based system, including individual self-evaluations and four stages of evaluation meetings. The outcomes of these performance evaluations form the foundation for our compensation practices, including incentives and promotions. We maintain a strict policy of not applying different compensation systems for male and female new hires and are fully compliant with the government's minimum wage regulations.



Innovation Competition

Each year, EcoPro organizes a groupwide innovation competition to foster a culture of creativity and innovation among its employees. Since its inception in 2016, the competition has celebrated advancements across various aspects of the company's operations. In the 2023 competition, notable innovations included an ammonia reforming catalyst, a chemical filter designed to support carbon neutrality, and a filter developed to eliminate the effects of interfering gases.



2023 Innovation Contest

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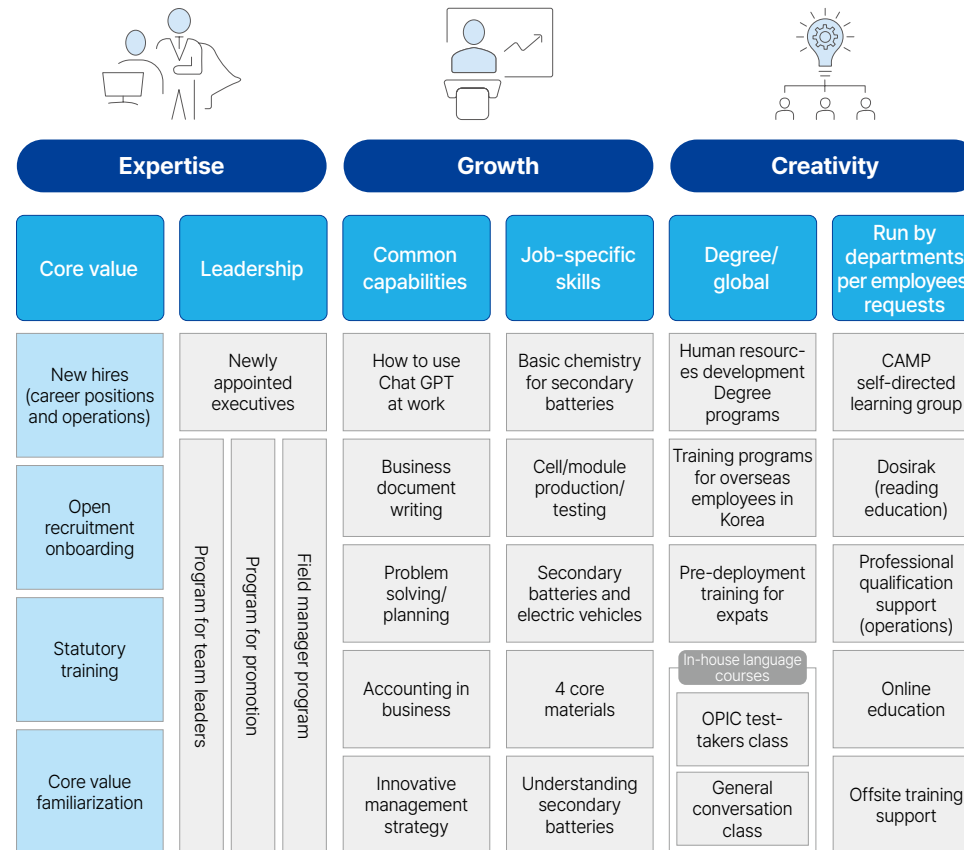
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Talent Development System

EcoPro HN prioritizes the roles and growth of all employees by focusing on three key areas: expertise, growth, and creativity. We have developed a comprehensive talent development strategy designed to enhance the future competitiveness and professional capabilities of employees at every level, from new hires to executives. Our structured training programs are meticulously planned and systematically implemented across six areas that address employee needs: core values, leadership, common competencies, job-specific expertise, advanced degrees/global exposure, and self-development.

Talent Development Structure



Technical Seminars

EcoPro HN regularly organizes technical seminars by inviting industry experts to share insights into emerging trends and needs. These seminars are designed to enhance employees' R&D capabilities. Through these sessions, we explore new opportunities in green technologies and identify key technology trends.



Talent Development Degree Courses

EcoPro HN offers programs that allow employees to pursue a master's or Ph.D. degree in fields relating to their job roles. These opportunities address employees' needs for professional development and ensure they stay updated on the latest technologies. By facilitating access to advanced degree courses, we help our employees grow into experts with specialized knowledge and skills.

CAMP (Self-Directed Learning Group)

CAMP is a self-directed learning group initiated by employees who are passionate about continuous self-development. It brings together like-minded individuals with shared goals, allowing them to exchange knowledge on various topics such as language skills, liberal arts, and work-related expertise.

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Work-Life Balance

EcoPro HN is dedicated to fostering a flexible work environment that supports employees in maintaining a healthy work-life balance and enhancing their job performance. We encourage employees to use their entitled annual leave fully and offer flexibility in commuting through a staggered office hour program. In addition, we provide shortened work hours for pregnant employees, options for early leaves, and parental leave programs.

Welfare and Benefits

We offer a range of welfare and benefit programs to ensure our employees are well supported both at work and in their personal lives. These include housing subsidies, children's tuition assistance, support for leisure and cultural activities, and cash gifts for family events. These benefits help employees stay engaged at work while enjoying a fulfilling life outside of it. In addition, we run various health promotion programs to improve our employees' overall well-being.

Benefit	Details	Benefit	Details
Monetary support	Support for employee motivation and performance improvement - Special bonus, evaluation-based bonus, performance payouts	Health promotion	Benefits to support employee and family health and address the declining birthrate - Comprehensive health checkups and medical expense coverage for employees and their families - Special education expenses for children with developmental disabilities, fertility treatments, etc.
Life security support	Employee housing need support - Company housing and settlement assistance payments	Recreation support	Support for leisure activities - Recreational facilities, company club activity support, employee discounts at service partners, etc.
Childcare	Daycare for children to help employees achieve a better work-life balance	Others	Various support for employees' workplace wellbeing - Cafeteria (lunch and dinner provided), rewards for long-term employees and outperformers - Amenities (gym, billiard room, table tennis room), employee association activities
Family events	Support for employees' family events (Funeral supplies, etc.)		

Employee Survey on Their Satisfaction with Workplace Improvement (Culture Survey)

The Culture Survey is conducted to gauge employee satisfaction with workplace improvements at EcoPro HN and to understand their expectations of the company. In the latest survey, 258 employees shared their insights across four key areas: the company's orientation, work processes, motivation, and their roles at work. The overall satisfaction level increased slightly from the previous year, rising by 0.1 points to 3.6 points. This feedback is invaluable as it enables us to listen closely to our employees and continuously improve the work environment.

Improve Work Practices and Introduce Flexible Work Arrangements

EcoPro HN prioritizes the wellbeing of employees by encouraging them to use their entitled annual leaves fully, helping them to immerse themselves in their work with greater focus and satisfaction. We monitor the usage of annual leaves on a monthly basis and encourage employees to use any remaining leave at their own discretion. Furthermore, we promote flexibility by allowing employees to manage their work hours autonomously through our work time selection system and the Plus Leave system.

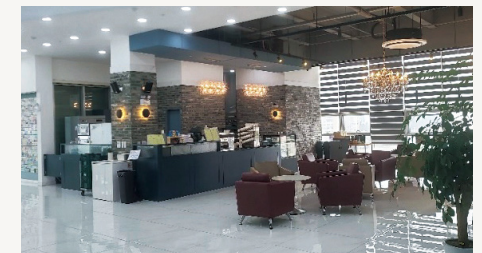
Childcare Support and Parental Leave

EcoPro HN is committed to supporting working parents through initiatives such as mindfulness and childcare training, which allow working mothers and fathers to share and address their childcare concerns.

We believe that female employees should be able to take parental leave without any worries about potential disadvantages. To reinforce this, we are considering the introduction of an automatic parental leave system. Looking ahead, we plan to explore and implement additional childcare support systems to ensure that employees can achieve a healthy work-life balance, free from discrimination relating to childbirth and childcare.

Dancing Book Cafe

EcoPro HN strives to create an environment where employees can fully exert their creativity in R&D and other work-related activities. The Dancing Book Cafe is part of this initiative aimed at creating a flexible work environment and facilitate open communication.



EcoPro HN Dancing Book Cafe

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Communicative Organizational Culture

At EcoPro HN, we strive to create an organizational culture that allows employees to exert their capabilities fully in a healthy and creative way. We run various programs to strengthen communication with our employees.

Instant Reward Program

The Instant Reward System at EcoPro HN recognizes and rewards three outstanding employees each month who exemplify exceptional work performance, demonstrate sacrifice and service to their colleagues, and embody the qualities of the company's model talent: challenge, trust, and change and innovation.

Trust: Compliment and Appreciation

We highly value communication among employees and support initiatives that foster mutual motivation and growth. In line with this commitment, we organized special events during Seol (Lunar New Year) and Chuseok (Korean Thanksgiving), where employees were encouraged to express appreciation and compliments to their colleagues. These campaigns provided an opportunity to recognize and praise exemplary employees while also strengthening relationships and building trust within the team. Through these efforts, we aim to create a more connected and supportive workplace culture.

Challenge: Achieving Goals

Every January, we launch a campaign where employees are encouraged to set personal goals for the new year. These goals can range across various areas, including reading, health, savings, travel, and hobbies. Throughout the year, employees track their progress, and at the end of the year, they review and celebrate their accomplishments together. By sharing their goals with colleagues, employees foster a sense of community and mutual support, helping each other stay motivated and achieve their ambitions.

Summertime Snack

Each summer, we host a snack-sharing event to boost employee morale during the hot season. One morning, as employees arrived at work, they were pleasantly surprised to find breakfast boxes being handed out by a group of colleagues. Additionally, we extended this gesture of appreciation to the employees of our suppliers working on-site, delivering snacks along with thank you notes.

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 program also provided employees with an opportunity to recharge by experiencing advanced infrastructure and global culture. 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.



Collaborative Labor-Management Relationship

To create a great place to work, we have formed the Family Council that is committed to creating a collaborative labor-management culture.

Family Council

The Family Council at EcoPro HN is a collaborative body consisting of five employee representatives and five employer representatives. The council convenes quarterly to discuss key matters, and in 2023, it held four meetings to address 45 agenda items. It serves as a platform for discussing significant topics such as enhancements to the labor management system and employee benefits. In the first quarter of 2023, a joint meeting was held with the Family Councils of all group companies to discuss major groupwide issues and foster communication with employees.

Key Agenda Items in 2023

Time	Agenda
Q1	Corporatewide workshop
Q2	Long-term service leave, etc.
Q3	Foundation Day leave, etc.
Q4	Parking facility improvement, etc.



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Key Performance

Establishment of Supplier Code of Conduct

Reinforcement of Supplier Evaluation and Management

Background

Our suppliers are integral to our journey toward becoming a global company, making our partnership with them crucial for shared growth.

Building a system that fosters mutual prosperity and competitiveness through collaboration with our suppliers is essential. Equally important is maintaining transparency in all transactions and openly sharing any challenges we encounter, along with the improvements we implement to address them, with our stakeholders. This transparency and collaboration will enable us to create synergies with our suppliers.

Management Approach

At EcoPro HN, the Supplier Code of Conduct provides the framework for sustainable shared growth. We also dedicate significant resources to supporting their growth and communication.

- Shared Growth

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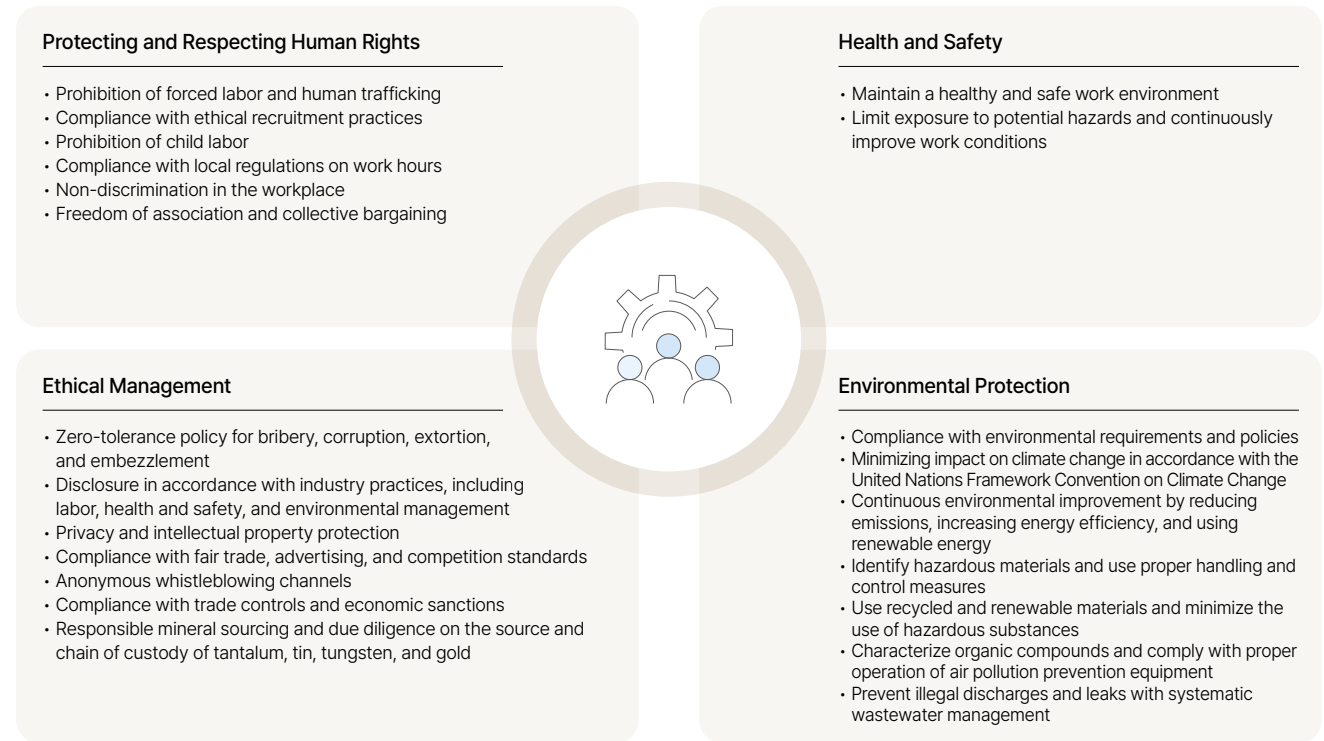
Shared Growth

EcoPro HN prioritizes mutually beneficial cooperation with our suppliers. We have established a Supplier Code of Conduct and regularly conduct evaluations to ensure responsible trading practices. To support our suppliers' capacity building, we offer shared growth programs designed to enhance the competitiveness of the entire value chain.

Supplier Code of Conduct

EcoPro HN requires its suppliers and business partners to comply with our Code of Conduct, which sets the standards for human rights, the environment, safety, responsible materials and legally responsible business practices. The Code of Conduct reflects international standards such as the RBA¹⁾ Code of Conduct and the UNGC²⁾ Principles.

Supplier Code of Conduct Highlights



Shared Growth Program

To help our suppliers sharpen their competitive edge, we share with them our Code of Conduct and provide them with supplier support programs designed to ensure fair trade practices. This will help us establish a sustainable cooperation system and build a responsible supply chain.

Financial Support

- Credit rating support: Credit rating support for suppliers through credit rating services
- Payment: Cash payment within one month after closing (up to KRW 10 million per month)
- Preference for simultaneous bidding on price and specifications (rather than lowest bidder contracts)

Management and Technical Support

- Financial status check: Prior to placing orders, verify the financial status of suppliers and address any issues that may arise.
- Reduce the burden on suppliers by providing equipment parts and consumables.
- Make payments based on monthly progress to support the liquidity of small- and medium-sized enterprises.

Communication Support

- Communication and reporting channels on our website for suppliers
- Joint visits from procurement and quality teams to listen to and help address their pain points and challenges

1) Responsible Business Alliance: A global initiative for responsible business practices in the supply chain
 2) The United Nations Global Compact: An initiative that provides a framework for corporate social responsibility

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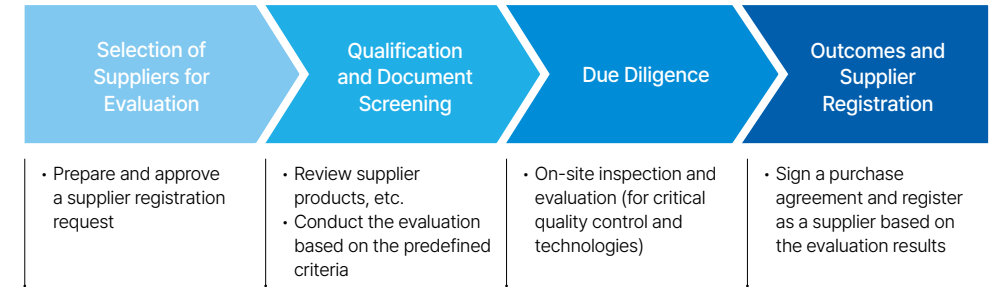
Supplier Evaluation and Management

For supplier selection and management, EcoPro HN uses objective and transparent criteria to evaluate their performance, with differentiated management based on the evaluation results. Regular evaluations and follow-up management are conducted for all suppliers. Suppliers with strong performance are rewarded with an increased shareholding rate, while those with lower scores receive training on areas that need improvement so that they can do better. Looking ahead, EcoPro HN plans to expand its supplier evaluations to include environmental, social, and governance (ESG) assessments.

Supplier Evaluation Items

 <p>Quality Management System</p> <ul style="list-style-type: none"> • Quality management policies and goals • Training and education • Certification management • Internal audit management • Document management • Business manual management 	 <p>Purchasing System</p> <ul style="list-style-type: none"> • Procurement procedures • Traceability • Warehouse management 	 <p>Quality System</p> <ul style="list-style-type: none"> • Quality control • Reliability assurance • IQC • PQC • OQC 	 <p>Production System</p> <ul style="list-style-type: none"> • Production management • Design management
 <p>Third-Party Assessments</p> <ul style="list-style-type: none"> • Credit rating • ESG assessment 	 <p>Environmental Management System</p> <ul style="list-style-type: none"> • Hazardous substances control • Environmental assessment 	 <p>Human Rights Management System</p> <ul style="list-style-type: none"> • Human rights protection • Labor laws 	 <p>Supplier Management System</p> <ul style="list-style-type: none"> • Supplier evaluation • Supplier certification

Supplier Selection Process



Communication with Suppliers

EcoPro HN holds technical and on-site meetings with suppliers to address challenges they face and discuss improvements. A grievance resolution system is also available for suppliers. It ensures confidentiality through strict whistleblower protection policies and anonymous reporting, safeguarding whistleblowers from unfair treatment. In 2023, no grievance reports were received via this channel, thanks to regular meetings and active communication. EcoPro HN aims to enhance the competitiveness of its business value chain further and manage ESG-related risks through ongoing communication with suppliers, using both regular and ad hoc channels.

Supplier Training

EcoPro HN supports the capacity building of its suppliers by organizing and providing tailored training through qualified in-house experts. We regularly survey them on their training requirements and continuously develop and refine training programs, aiming to help our suppliers enhance their competitiveness.

Selecting and Managing Core Suppliers

EcoPro HN selects approximately ten core suppliers each year and collaborates with them to identify areas for improvement and monitor their progress. This approach helps strengthen the competitiveness of our supply chain.

Category	Unit	2021	2022	2023
Number of core suppliers	Companies	10	10	12
Trade value	KRW million	14,570	12,901	19,944

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Key Performance

ISO 9001 Quality Management System Certification

81 Cumulative Intellectual Property Rights for Greater Technological Competitiveness

Defect Improvement Task Force Operations

Background

Developing global competitiveness requires prioritizing customer satisfaction and focusing on continuous product quality improvement. It is equally important to offer a unique customer experience that sets us apart from competitors.

Achieving this demands relentless efforts in quality enhancement and innovative R&D to stay at the forefront of industry advancements.

At the same time, as we transition to the digital age, the growing threats to information security necessitate the establishment of robust information security governance and systems to respond proactively to potential information security threats.

Management Approach

At EcoPro HN, we are relentless in our R&D efforts to eliminate potential product safety issues caused by defects and consistently deliver products that surpass those of our competitors.

To tackle the growing risks of information security threats, we actively organize and conduct information protection training and awareness campaigns.

- Quality management
- Information security

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Quality Management

Improving customer satisfaction and product quality is a key driver for enhancing corporate value. To achieve this, EcoPro HN has established a comprehensive quality management system and governance structure focused on elevating product quality standards. In addition to these systems, we conduct companywide quality improvement campaigns that engage all employees, strengthening our competitive edge in quality.

Quality Management Policy

Quality Management Policy

EcoPro HN has established a quality policy aimed at delivering the highest-quality products and services to its customers, in alignment with its management philosophy of "We pursue change and innovation to be the best."

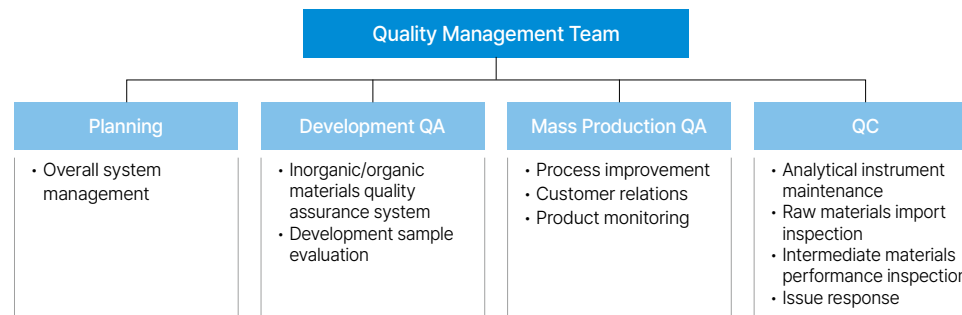
1. We prioritize customer satisfaction by offering the highest-quality products and services.
2. We establish a customer-centric quality management process based on a foundation of principles and fundamentals.
3. We proactively identify and eliminate nonconformity and waste through continuous improvement.
4. We facilitate our customers' growth by developing new technologies and adding greater value.

All EcoPro HN employees are fully committed to the company's quality policy and dedicate themselves to establishing, implementing, maintaining, and continuously improving our quality management system.

Kim Jong-seop, CEO *J/S*

Quality Management Governance

At EcoPro HN, the Quality Management Team oversees the company's quality management practices, ensuring a cohesive approach to maintaining high standards. Each department—Planning, Development QA, Mass Production QA, and QC—implements its own strategies for process quality and customer relations management, tailored to their specific areas.



Strengthening Quality Competitiveness

EcoPro HN has obtained and consistently maintained ISO 9001 certification, demonstrating our commitment to product reliability and high-quality standards. In addition, we have also earned UL certification for product performance and safety. As a KOLAS-accredited testing laboratory, we ensure the reliability of our water quality and environmental data by applying these rigorous, standardized protocols.

In 2024, we plan to achieve IATF 16949 certification, a global standard for quality management in the automotive supply chain. This will enhance our competitiveness in the global market by adhering to stricter quality management standards.



Quality Management System (ISO 9001)



UL Certification



KOLAS (Korea Laboratory Accreditation Scheme) Accreditation

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Step-by-Step Quality Management

We are enhancing our quality management to ensure that our products meet and exceed customer expectations. Our quality management activities cover advanced quality, development quality, supplier quality, and process quality.

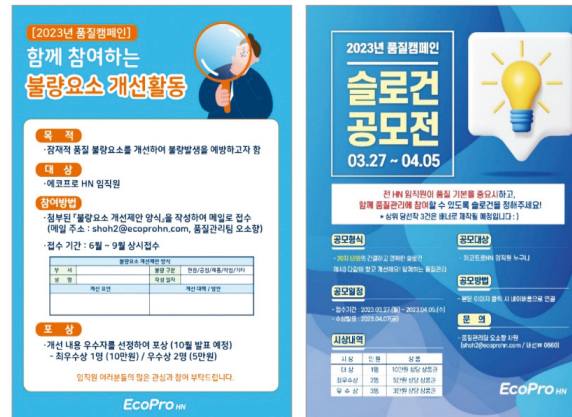
Defect Improvement Task Force

We have established the Defect Improvement Task Force to demonstrate our commitment to achieving an annual product defect rate below 0.1%. This task force monitors product changes, identifies defect statistics specific to each product, and gathers information on the causes of defects and improvement measures. Our ongoing research efforts are focused on eliminating recurring defects to enhance product quality.

Reinforcement of Quality Awareness Internalization

We actively involve employees in our quality improvement efforts through various campaigns aimed at identifying and eliminating potential defects in our products. In 2023, we ran a campaign from June to September, where we gathered staff input on defect causes relating to our workplace, processes, products, and procedures. Employees who proposed effective improvement measures were rewarded for their contributions.

In addition, we organize a quality slogan contest to raise awareness of the importance of quality management. Winning slogans are displayed as banners around the workplace.

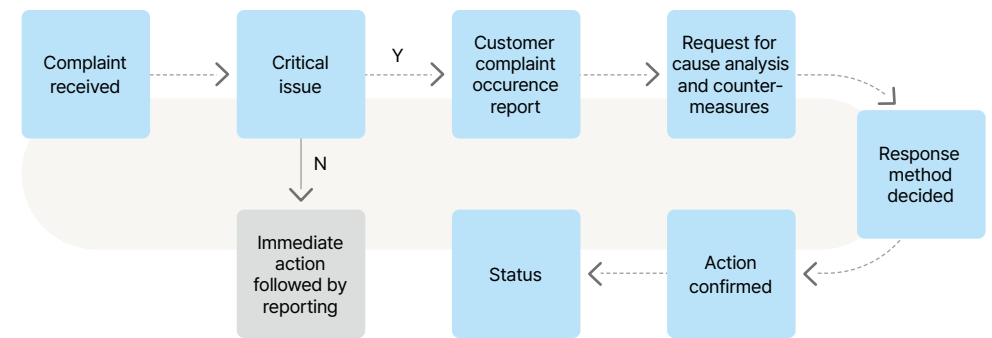


Quality Improvement Campaigns

Customer Communication and Management

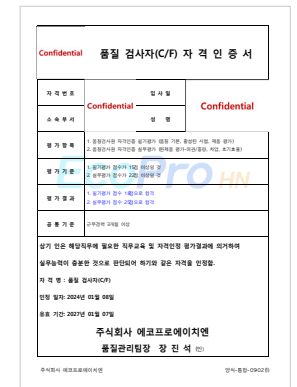
Customer complaints about our products are managed through a structured complaint handling process designed to ensure timely responses. By addressing complaints promptly, we build and maintain customer trust while working to prevent future issues. We regularly review the customer complaint register and prepare detailed reports for each complaint received. This approach helps us address and prevent recurring product defects. In 2023, we successfully resolved 100% of the customer complaints received.

Customer response process



Training of Quality Professionals

To enhance the professional capabilities of those involved in quality management, we issue quality inspector qualification certificates. This process includes not only basic training on quality but also advanced training and self-qualification exams for quality inspectors. By issuing these certificates in the name of the quality manager, we aim to raise awareness of quality and instill a sense of responsibility among our quality management personnel.



Quality Inspector Certificate

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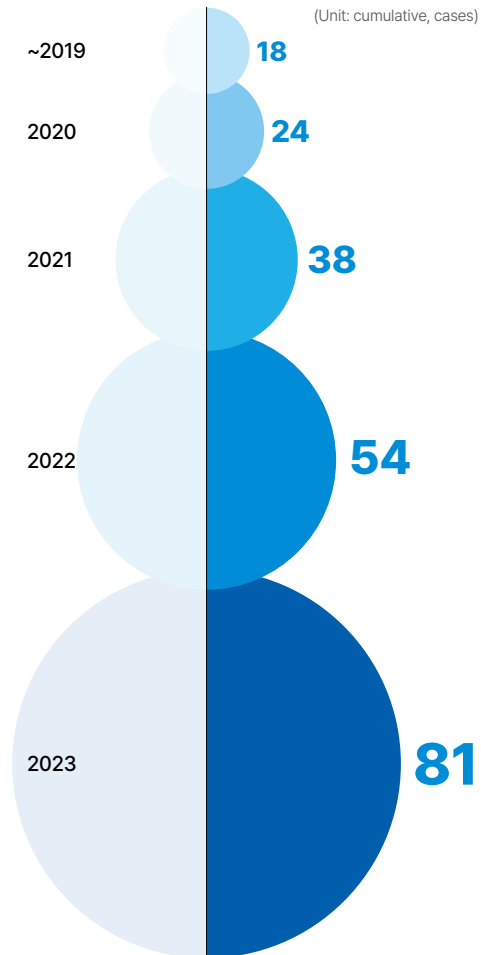
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Strengthening Technological Competitiveness

EcoPro HN is dedicated to advancing technology as a fundamental driver of our business competitiveness. A notable achievement is our latest chemical filter, the result of a year's dedicated research and development. This innovative filter not only excels in quality but also meets stringent environmental standards, earning the Certification of Green Technology.

Intellectual Property Rights Highlights



Domestic		International	
Registered (21)	Pending (44)	Registered (10)	Pending (6)
• Polymeric-amine-based carbon dioxide adsorbent	• Catalyst for perfluorinated compounds decomposition and its production method	• VOCs removal system using gas distribution plates	• VOCs removal system using gas distribution plates
• Microwave dryer for regenerating adsorbents		• Volatile organic compound removal unit	• VOCs removal system using slotted wave guides
• Cylindrical chemical filter and its manufacturing method	• Adsorbent for removing harmful gases, its production method, and air purification filter comprising the same	• Adsorbent having microwave absorption property	• Energy-efficient air cleaning system
• Integrated treatment system for complex waste gases containing nitrogen oxides, chlorofluorocarbons, hydrochlorofluorocarbons, hydrofluorocarbons, and perfluorinated compounds	• Filter service life prediction method and smart detection system comprising the same	• Amine-based carbon dioxide adsorbent resistant to oxygen and sulfur dioxide and method of preparing the same	
• VOCs removal system using slotted wave guides	• Hydrogen production system with hydrogen fuel cell thermoelectric generator	• Air cleaning system	
• Volatile organic compound removal unit		• System for removing VOCs using gas distribution plate	
• Adsorbent for removing harmful gases, its production method, and air purification filter comprising the same	• Compound for catalyst immersion, catalyst and reactor comprising the same	• VOCs removal system using slotted waveguides	
• Microwave dryer for cathode active materials			

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Information Security

Protecting the information assets and technical data of key stakeholders is our top priority at EcoPro HN. We ensure this through rigorous adherence to our information security management regulations and a robust information security system.

Information Security System

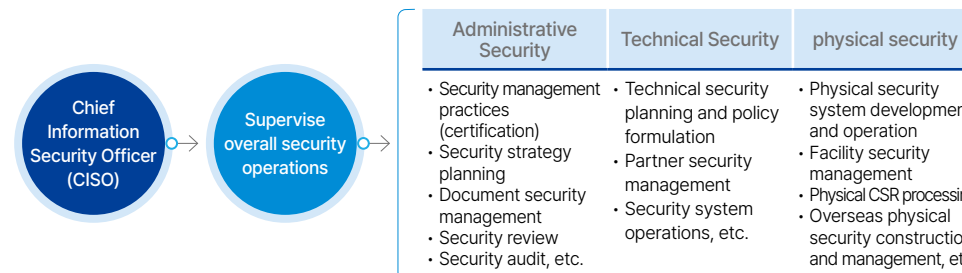
EcoPro HN has established a specialized information protection system that categorizes the domains of information security into administrative security, physical security, technical security, and privacy.

Information Security Management Policy

Privacy	Administrative Security	Physical Security	Technical Security
<ol style="list-style-type: none"> 1. Privacy protection management system 2. Protection for the collection, use, and provision of personal information 3. Measures for the reliable management of personal information 	<ol style="list-style-type: none"> 1. Information security organization and roles 2. Information security planning 3. Asset management 4. Document management 5. Personnel security 6. Information security training 7. Security incident management 8. Security checks 9. Security reviews 10. Supplier security 	<ol style="list-style-type: none"> 1. Designate and manage protected areas 2. ID badges 3. Vehicle access control 4. Office security 5. Equipment security 6. Inbound and outbound security 7. Surveillance 	<ol style="list-style-type: none"> 1. Access control 2. System management 3. Communication and security operations management 4. Personal electronic device management 5. Media security 6. Development security 7. Vulnerability check 8. Backup management 9. Log management 10. Industrial control system (ICS) security

Information Security Governance

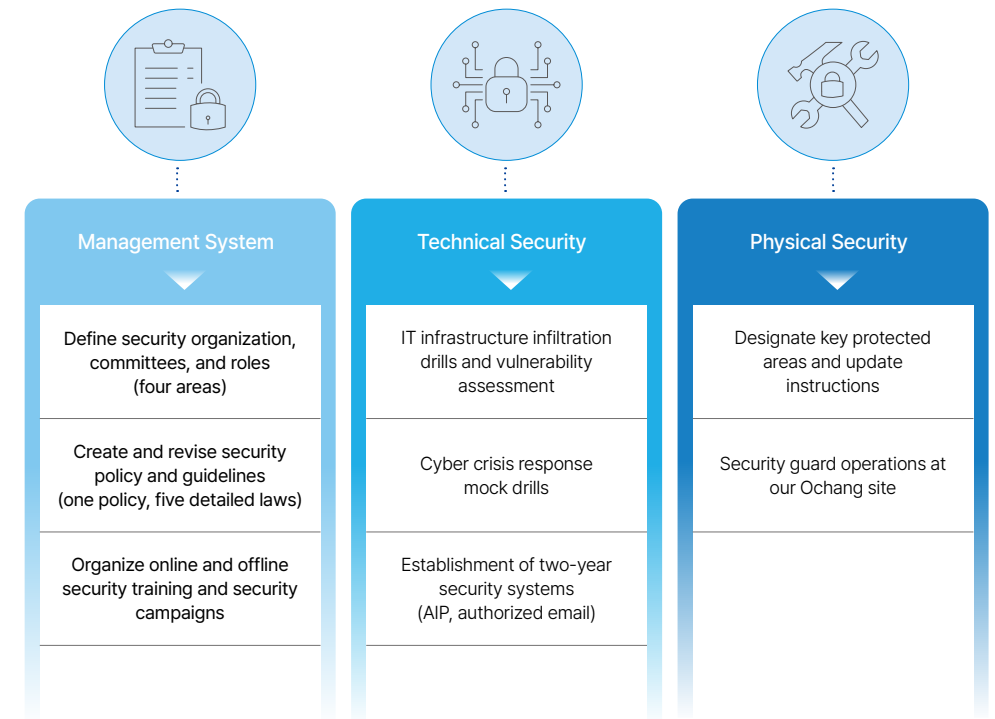
EcoPro HN has appointed a Chief Information Security Officer (CISO) to lead a dedicated organization for information security. To bolster companywide information security further, we have assigned specialized personnel for administrative security, technical security, and physical security, ensuring that information security management issues are effectively addressed.



Information Security Activities

EcoPro HN conducts various information security activities in alignment with our information security management system. We guide and manage our employees to ensure fundamental information protection in their daily tasks. In addition, we prepare for potential cyber crises by conducting mock drills to identify vulnerabilities and areas for improvement, integrating these insights into our information protection system and activities. Through these measures, we robustly safeguard the personal information of our employees and stakeholders.

Activities



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Key Performance

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

Onnuri Sports Team

Won 52 Gold Medals at the 43rd National Para Games

Children's Environmental Festival Eco Green Day

(4,000 participants in 2023)

Background

Our society continually faces social issues that demand our attention. Stakeholders are increasingly expecting companies to take responsibility for local communities and support the underprivileged, emphasizing the importance of contributing to future generations and the broader community.

Creating social value by leveraging a company's strengths is a fundamental aspect of corporate social responsibility. This involves maintaining close, ongoing communication with the community and engaging in social contribution activities. Such efforts not only foster company growth in tandem with society but also contribute to sustainable development.

Management Approach

At EcoPro HN, we believe that thriving alongside the community is integral to fulfilling our corporate social responsibility. This belief drives our commitment to social contribution activities.

- Corporate Social Responsibility (CSR) Structure
- CSR activities

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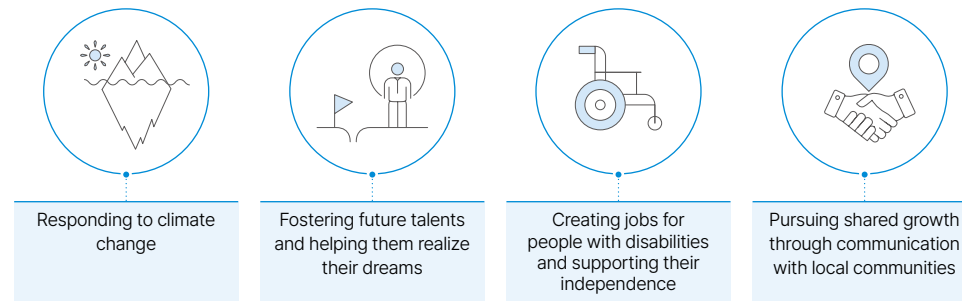
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Corporate Social Responsibility (CSR) Structure

To fulfill our social responsibility strategically, we have established clear directions for our CSR activities and operate a dedicated CSR organization.

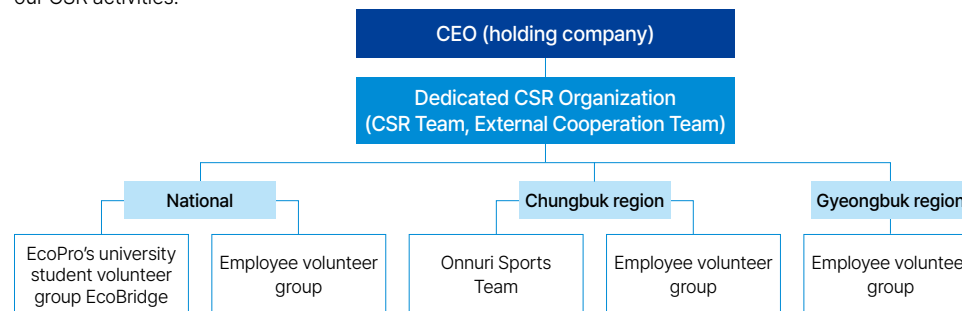
Directions for CSR Activities

At EcoPro HN, our CSR activities are organized and promoted across four key directions: responding to climate change, fostering future talents and helping them realize their dreams, creating jobs for people with disabilities and supporting their independence, and pursuing shared growth through communication with local communities.



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 HN plays its role in groupwide CSR activities. EcoPro university student volunteers and employee volunteer groups across the country and their regional chapters in Chungbuk and Gyeongbuk provide support for our CSR activities.



CSR Activities

EcoPro HN engages employees in various CSR activities in line with the company's four CSR directions.

Eco – Climate Change Response

PM Notification Board: Particulate Matter Greenlight

In response to increasing awareness of climate change, we collaborate with EcoPro group companies 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. Since the program began in 2019, we have installed notification boards in 25 schools. We are committed to participating in additional initiatives aimed at raising awareness of climate change.



Particulate Matter Alert

Dream – Future Talent Fostering

EcoPro Scholarship Program

Fostering talent is crucial for future generations and sustainability. To support students facing social and economic challenges, EcoPro HN, in collaboration with its group companies, operates a scholarship program. This initiative is designed to help these students concentrate on their studies and personal development. We are committed to continuing our generous support to nurture these students to become valuable future professionals.

Donating Braille Teaching Kits

We donated braille teaching kits to the Cheongju School for the Visually Impaired to enhance the learning and play rights of visually impaired children in the local community. Employees from EcoPro HN participated in this project, creating tactile puppets, braille weather playbooks, and other educational materials. These items were made from fabrics recycled from waste PET bottles. Moving forward, EcoPro HN plans to collaborate with group companies to explore additional support measures aimed at improving the learning environment for visually impaired individuals in the community.

*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>

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Cheer Up – Job Creation and Sports Support for People with Disabilities

Onnuri Sports Team

EcoPro HN is committed to enhancing corporate social value through efforts that improve the sports environment for athletes with disabilities and create job opportunities. In 2018, we established the Onnuri Sports Team, the first sports team for people with disabilities in Chungcheongbuk-do Province. Initially consisting of 23 athletes across six sports, the team has since expanded to include 58 athletes participating in 11 different sports. The team members, having focused exclusively on their athletic pursuits, have achieved significant success in competitions. We are dedicated to promoting fair and safe sports activities and working toward a society free of discrimination.



Good-Cycling Campaign

EcoPro HN employees contribute to social welfare by donating unused clothing, books, and other items to the Goodwill Store. This store, operated as a vocational rehabilitation facility for people with disabilities, employs individuals with disabilities to sort, display, and sell the donated goods. The proceeds from these sales are then used to create job opportunities for people with disabilities.



Community – Shared Growth through Communication

Disaster Relief

EcoPro HN places great importance on mutual prosperity with the local community. In 2020, we launched a disaster relief project to support residents affected by disasters and accidents in restoring their daily lives. In 2023, together with other EcoPro Group companies, we donated KRW 600 million to aid victims of the heavy rains in the Gyeongbuk and Chungbuk regions.



Year-End Matching Grant

EcoPro HN proudly participates in the Year-End Grant Program, a groupwide donation initiative started in 2013. Through this program, when our employees make donations to the Community Chest of Korea's Chungbuk or Gyeongbuk Chapters, we match their contributions, effectively doubling the donation. We plan to continue expanding similar programs to foster a culture of giving and support.

Blood Donation

EcoPro HN deeply cares about the underprivileged and those facing challenges due to the shortage of blood supply. As part of this commitment, we actively participate in the quarterly blood donation campaign organized by EcoPro Group. In 2023 alone, 42 employees from the group contributed to this life-saving initiative, raising the cumulative total of donors to 976.



EcoPro's Volunteer of the Year in 2023

"Through this experience, I was able to think about those in need around me, feel grateful for what I have, and gain personal and company pride as well as confidence."

- EcoPro HN Quality Control Team

Son Yu-hui



"EcoPro's CSR initiatives have given me valuable opportunities to experience things we can't do in our everyday lives."

- EcoPro HN Quality Management Team

Lee Bo-de-re



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Key Performance

Corporate Governance Charter Declaration

Compliance Commitment Letter 100% Signed

Background

Many stakeholders today demand stronger governance from businesses, emphasizing the need for transparent and responsible management. Establishing sound governance practices is critical to fostering trust and accountability, as unethical behaviors can have damaging consequences for the organization. This highlights the importance of corporate and employee accountability. To achieve this, internalizing a culture of ethics and compliance within the company is paramount.

Management Approach

We maintain transparent governance founded on stakeholder trust, continuously striving to minimize unethical risks and strengthen our ethics and compliance management.

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

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Board Composition

EcoPro HN is committed to earning the trust of its stakeholders by establishing sound and transparent governance. Our Board of Directors consists of independent experts from various backgrounds, which enhances the Board's transparency and ensures balanced decision-making. This approach helps us consider both corporate and social values.

EcoPro HN has established a fair and transparent governance system in line with EcoPro Group's Corporate Governance Charter. This formal declaration of corporate governance and responsibility is designed to enhance shareholder value while fulfilling our social responsibility to protect the rights and interests of stakeholders, including employees and suppliers.

Corporate Governance Charter

At EcoPro HN, 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:

At EcoPro HN, 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.

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.

We are dedicated to achieving harmony and balance with our stakeholders, considering both present and future well-being for long-term sustainability.

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 Governance Charter.

Kim Jong-seop, CEO

Board Composition

As the highest decision-making body, the Board of Directors is composed of six directors: three executive and three independent directors. The Chairman of the Board of Directors is the company's CEO, Kim Jong-seop. The Board of Directors represents the interests of shareholders and stakeholders and oversees and resolves major management issues from a long-term perspective.

(As of April 1, 2024)

Category	Name	Gender	Career highlights	Tenure
Executive Directors	Kim Jong-seop	Male	- CEO, EcoPro HN - Ph.D. in Chemical Engineering, Korea Advanced Institute of Science and Technology	~ Mar 2027
	Lee Ju-hyung	Male	- Senior Managing Director, EcoPro HN - Bachelor of Economics, Chungbuk National University	~ Mar 2025
	Kim Moon-sang	Male	- Managing Director for Production Safety, EcoPro HN - Bachelor of Chemical Engineering, Korea University	~ Mar 2025
Independent Directors	Lee Soo-hwan	Male	- President, Choungwoo Law Office - Bachelor of Law, Yeungnam University	~ Mar 2027
	Kim Myeung-sun	Male	- CEO, Winspire - Bachelor of Chemical Engineering, Yonsei University	~ Mar 2025
	Cho Young-je	Male	- Advisor, Lee & Ko Law Firm - Ph.D. in Law, Yonsei University	~ Apr 2027

Appointment of Directors

At EcoPro HN, the appointment of directors is conducted through a fair and transparent process at the General Shareholders' Meeting. We rigorously evaluate candidates based on their qualifications, including their biographies and the purpose of their appointment. We adhere to relevant legal provisions and the Articles of Association to assess their expertise and capabilities, ensuring that the selected individuals are well suited for their roles.

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Independence, Expertise, and Diversity of Board Members

We are dedicated to enhancing the independence, expertise, and diversity of our Board members. To achieve this, we have implemented the Board Skills Matrix (BSM) to assess the expertise of our directors objectively and provide targeted training based on the results. We ensure that our Board of Directors is composed without restrictions on gender, nationality, or age, promoting a diverse and inclusive leadership team. The Business Management Team supports the Board's activities and aids independent directors in understanding our operations and refining their expertise in their areas. We also plan to offer various training and education programs to develop the professional skills of our board members further.

Board Skills Matrix

Board Member	Executive Directors			Independent Directors		
	Kim Jong-seop	Kim Myeung-sun	Kim Moon-sang	Kim Myeung-sun	Lee Soo-hwan	Cho Young-je
Industry expertise	●	●	●	●		
Accounting and financial expertise		●				●
Global business experience			●	●		●
Leadership	●			●		●
Investment and capital market expertise				●		●
Legal and public policy expertise					●	●

Board Operations

EcoPro HN ensures fair operation of the Board of Directors by adhering to principles of transparency and fairness in governance. We further strengthen our governance by establishing and operating specialized committees under the Board of Directors.

Board Operations

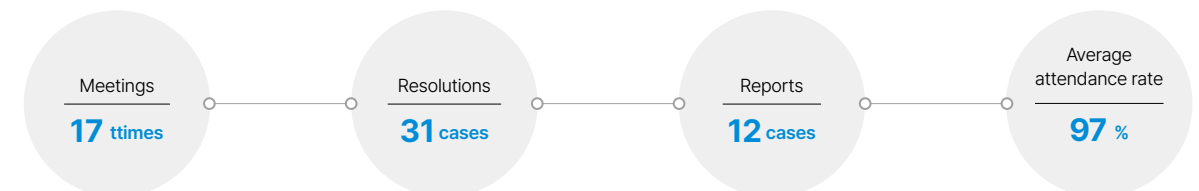
In accordance with the Board of Directors' Regulations, the Board of Directors at EcoPro HN holds regular meetings once a month and convenes extraordinary meetings as required. Decisions on the agenda are approved by a majority vote of the directors present, with matters outlined by relevant laws, such as Article 398 of the Commercial Act (Transactions between Directors and the Company), requiring at least two thirds of the directors' votes. To facilitate participation, we use telecommunications for directors who cannot attend meetings in person. In 2023, the average attendance rate at board meetings was 97%.

Board Committees

To enhance the expertise and effectiveness of Board operations, EcoPro HN's Board of Directors has established three specialized committees: the Internal Transaction Committee, the Compliance Committee, and the Audit Committee. Each committee is composed of three independent directors, ensuring that they operate with the necessary independence and authority to perform their roles effectively without interference from management.

Committee	Purpose and authority	Members
Internal Transaction Committee	Preliminary review of internal transactions of assets, funds, and services.	Kim Myeung-sun (Chair), Lee Soo-hwan, Cho Young-je
Compliance Committee	Deliberation and resolutions on matters such as evaluating compliance activities and compliance checks.	Lee Soo-hwan (Chair), Kim Myeung-sun, Cho Young-je
Audit Committee	Supervision and support for the maximization of corporate value based on the principle of "checks and balances."	Cho Young-je (Chair), Lee Soo-hwan, Kim Myeung-sun

Board Meetings and Activities in 2023



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Ethical and Compliance Management

EcoPro HN has established the Code of Ethics to guide its ethical management practices, ensuring alignment with the company's management philosophy. It serves as a framework for various ethical management activities and regular monitoring. By adhering to these ethical principles, employees internalize the standards of correct behavior and sound value judgment.

Code of Ethics

We have established the Code of Ethics to foster an ethical corporate culture by practicing rigorous and principled management. This commitment helps us enhance corporate value through continuous management innovation and sustainable growth.

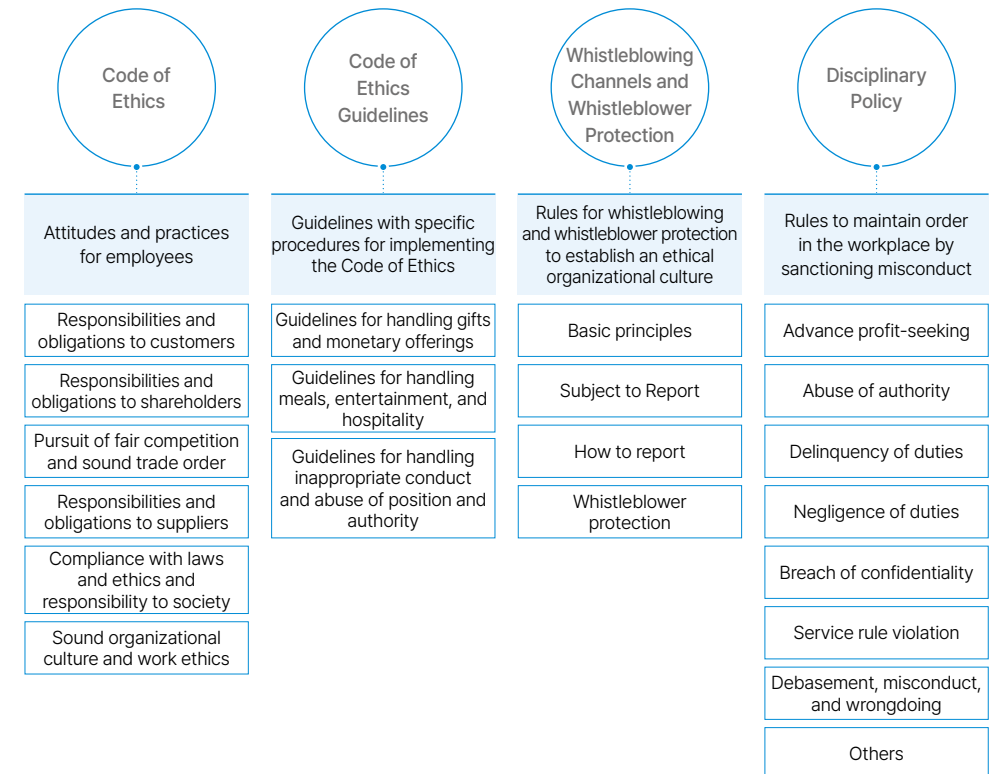
Code of Ethics

At EcoPro, along with 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.

- ① We respect our customers and strive to satisfy and impress them.
- ② We diligently protect the investment returns of our shareholders through transparent and efficient management.
- ③ We pursue fair competition and strive to establish a sound trade order.
- ④ We build mutual trust and pursue mutual development through fair trade with our suppliers.
- ⑤ We comply with all laws and ethical principles and fulfill our social responsibilities through environmental protection and social contributions.
- ⑥ We will create an organizational culture of mutual trust and respect and maintain the dignity and honor of being a member of EcoPro.

Ethical Management System

EcoPro has established a comprehensive ethical management system based on the Code of Ethics to ensure that all business operations align with ethical standards. This system is supported by the Code of Ethics Guidelines, which provide specific, actionable standards for practicing ethical management in daily operations. In addition, we have developed and documented clear policies for whistleblowing and whistleblower protection.



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Compliance Management

EcoPro HN actively participates in a groupwide initiative where all employees are expected to sign a compliance commitment letter. This letter serves as a public declaration of each employee's commitment to adhere to the company's ethical policies and to self-manage any ethical issues that may arise in the workplace. In 2023, a total of 338 employees participated by signing the letter. In addition, we use the K-IATS insider trading alert service to prevent unfair trading practices by our employees in the capital market.

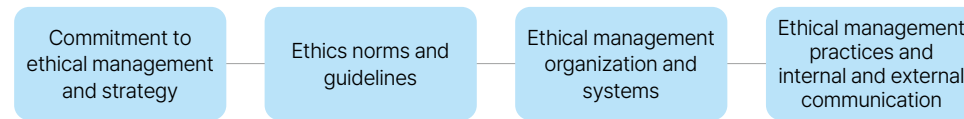
Ethics and Compliance Training

EcoPro HN, in collaboration with other group companies, organizes comprehensive training programs to promote ethical business practices among employees. These programs cover a range of critical topics, including the theories of ethical management, the prevention of unfair trading in the capital market, the Fair Trade Act, and the Act on the Promotion of Mutually Beneficial Cooperation Between Large Enterprises and Small and Medium Enterprises.

Ethical Management Self-Assessment

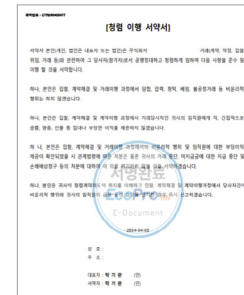
EcoPro HN adopts the self-assessment of ethical management to evaluate the effectiveness of its ethical practices and their impact on stakeholders. The assessment covers key areas such as the company's commitment to ethical management and strategy, the development of norms and guidelines, the establishment of relevant systems, and the execution of ethical management activities and communication. By conducting this self-assessment, EcoPro HN is able to gauge its current standing in ethical management and implement necessary improvements.

Self-Assessment Items



Integrity Agreement

EcoPro HN ensures transparency and fairness in its trade practices by requiring suppliers to sign an integrity agreement when entering contracts. We are fully committed to transparency and fairness in our business relations.

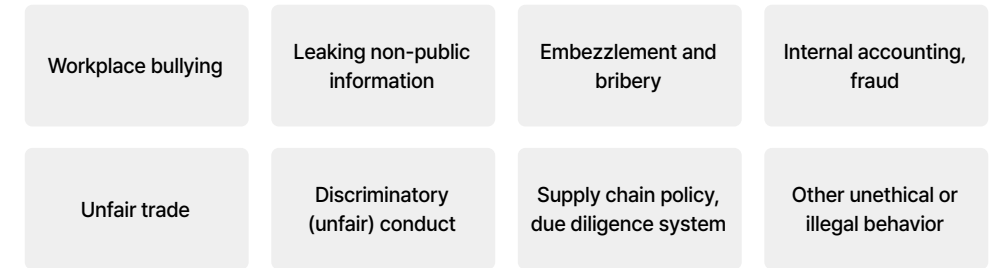


Ethical Grievance Handling Process

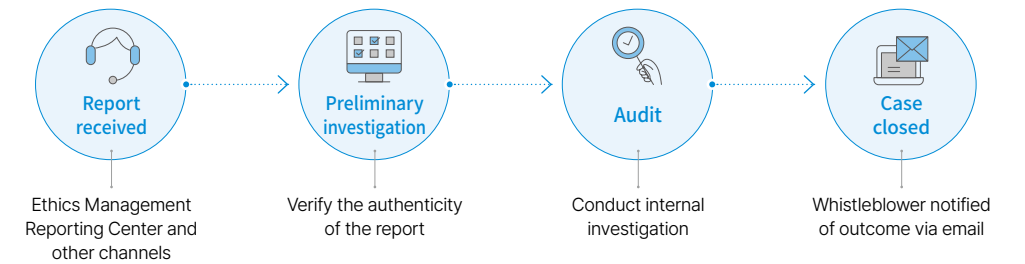
EcoPro HN has implemented a comprehensive ethics grievance process to prevent and monitor unethical behavior, such as unreasonable requests, corruption, and discrimination. This process allows stakeholders to report issues such as workplace bullying, leakage of confidential information, and other unethical conduct. To ensure fairness and protect whistleblowers, all reports are handled anonymously.

The ethical management reporting center serves as the platform for reporting violations, including soliciting or receiving bribes or entertainment from business partners. Upon receiving reports, the Audit Team conducts thorough investigations and manages the resolution of these cases.

Types of Reports



Whistleblowing Process



Whistleblower Protection

EcoPro HN is committed to protecting whistleblowers and strictly prohibits any retaliation or penalties for reporting. The Ethical Management Committee ensures that whistleblowers are protected from any disadvantages.

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Integrated Risk Management

EcoPro HN 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. The ESG Office oversees ESG risk management, defining financial and non-financial risks that may arise and developing 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 HN works with other group companies to identify the impact of risks on our business and establish and manage strategies for improvement and response. The ESG Office responds to management needs and requests for financial, business, and sustainability risks and reports to management.

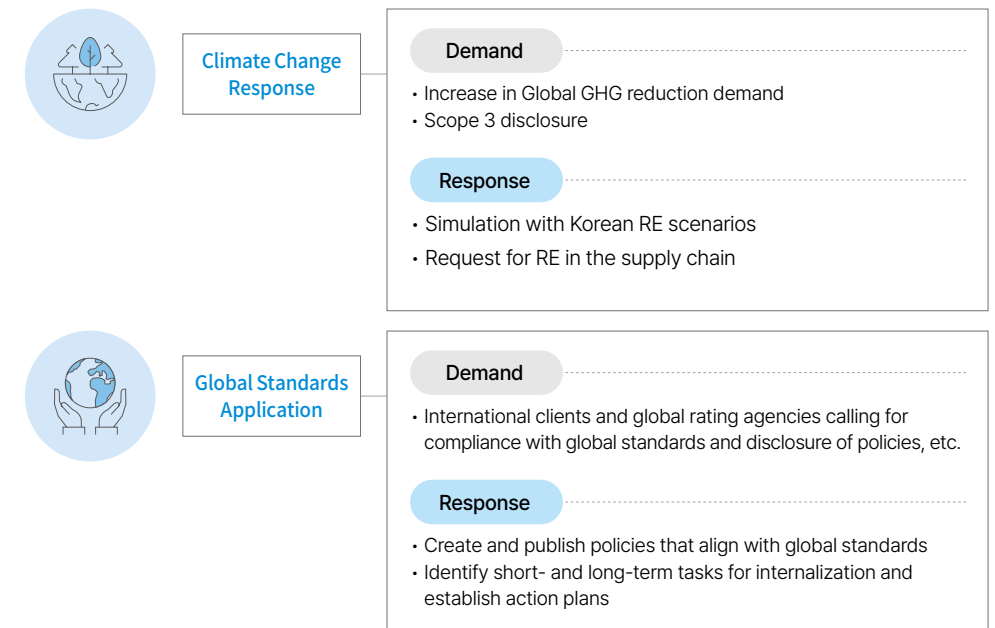
In 2024, the EcoPro Holding Company plans to launch the Risk Management Committee to upgrade our risk management system further. We are also reviewing our risk management system and risk management framework to raise the level of integrated risk management.



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 discussed measures to respond to climate change and the need to apply 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



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Financial Performance

Category	Index	Unit	2021*	2022	2023
Assets	Current assets	KRW	84,173,531,751	125,944,083,592	146,981,107,224
	Fixed assets	KRW	44,799,126,221	58,145,441,273	78,831,533,826
	Total assets	KRW	128,972,657,972	184,089,524,865	225,812,641,050
Liabilities	Current liabilities	KRW	58,031,751,660	88,668,507,094	78,264,304,053
	Fixed liabilities	KRW	8,181,030,491	8,931,888,536	36,979,424,859
	Total liabilities	KRW	66,212,782,151	97,600,395,630	115,243,728,912
Financial statement	Capital stocks	KRW	7,652,466,000	7,652,466,000	7,652,466,000
	Capital surplus	KRW	43,994,798,046	43,932,963,112	43,932,963,112
	Capital adjustment	KRW	0	(3,498,266,833)	(1,958,177,015)
Equity	Accumulated Other Comprehensive Income	KRW	0	(17,073,763)	(15,991,086)
	Retained earnings	KRW	11,112,611,775	38,419,040,719	60,957,651,127
	Non-controlling interest	KRW	0	0	0
	Total equity	KRW	62,759,875,821	86,489,129,235	110,568,912,138
Comprehensive income	Sales	KRW	90,904,348,393	218,237,744,878	228,946,023,204
	Cost of sales	KRW	64,977,806,317	148,814,613,887	153,377,033,481
	Gross profit margin	KRW	25,926,542,076	69,423,130,991	75,568,989,723
	Operating profit	KRW	13,876,915,140	41,420,546,422	41,780,811,675
	Net income before tax expenses	KRW	13,763,696,501	40,400,827,757	40,493,114,175
	Net profit	KRW	11,486,174,453	32,362,895,640	33,546,467,256
	Other comprehensive income	KRW	(373,562,678)	(22,912,899)	(1,865,829,371)
	Total comprehensive income	KRW	11,112,611,775	32,339,982,741	31,680,637,885

* From May 1, 2021 to December 31, 2021

Distribution of Economic Performance

Category	Index	Unit	2021*	2022	2023
Distribution of economic value	Corporate tax	KRW	2,277,522,048	8,037,932,117	6,946,646,919
	Shareholder dividend	KRW	0	5,050,627,560	9,140,944,800
	Contributions	KRW	10,302,050	356,655,090	34,248,010
	Labor cost	Salary ¹⁾	KRW	3,129,428,000	7,745,468,831
Retirement benefits		KRW	424,827,000	664,316,216	1,100,534,179

1) Salary inclusive of bonuses

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Environmental Performance

Category	Index	Unit	2021	2022	2023	
Energy	Energy consumption (power)	Non-renewable energy	MWh	5,378	7,849	7,589
		Renewable energy	MWh	0	0	0
		Total	MWh	5,378	7,849	7,589
	Energy consumption (natural gas)	Non-renewable energy	Thousand m ³	217	362	381
		Renewable energy	Thousand m ³	0	0	0
		Total	Thousand m ³	217	362	381
	By energy source	Electricity	TJ	35	76	74
		Fuel	TJ	11	18	18
		Steam	TJ	0	0	0
Others		TJ	0	0	0	
Total energy consumption		TJ	46	94	92	
Energy use intensity	Total energy consumption	TJ	46	94	92	
	Energy usage per sales	TJ/KRW hundred million	0.05	0.04	0.04	
Water	Water consumption	Non-renewable water	Tons(m ³)	27,266	29,761	29,110
		Renewable water	Tons(m ³)	0	0	0
		Total	Tons(m ³)	27,266	29,761	29,110
	By water source	Third-party water supply (general/industrial waterworks etc.)	Tons(m ³)	27,266	29,761	29,110
		Groundwater	Tons(m ³)	0	0	0
		Seawater	Tons(m ³)	0	0	0
		Surface water	Tons(m ³)	0	0	0

Category	Index	Unit	2021	2022	2023
Greenhouse gas emissions	Scope 1 (direct)	tCO ₂ eq	568	956	973
	Scope 2 (indirect)	tCO ₂ eq	1,656	3,645	3,544
	S1+S2	tCO ₂ eq	2,224	4,601	4,517
Greenhouse gas emission intensity	GHG emissions per sales	tCO ₂ eq/KRW hundred million	2.45	2.11	1.97
		CATEGORY 1 (purchased goods and services)	tCO ₂ eq	-	-
Green-house gas	CATEGORY 2 (capital goods)	tCO ₂ eq	-	-	311
	CATEGORY 3 (fuel- and energy-related activities)	tCO ₂ eq	-	-	360
	CATEGORY 4 (upstream transportation and distribution)	tCO ₂ eq	-	-	7,666
	CATEGORY 5 (waste generated in operations)	tCO ₂ eq	-	-	17
	CATEGORY 6 (business travel)	tCO ₂ eq	-	-	237
	CATEGORY 7 (employee commuting)	tCO ₂ eq	-	-	338
	CATEGORY 8 (upstream leased assets)	tCO ₂ eq	-	-	33
	CATEGORY 9 (downstream transportation and distribution)	tCO ₂ eq	-	-	177
	CATEGORY 10 (processing of sold products)	tCO ₂ eq	-	-	-
	CATEGORY 11 (use of sold products)	tCO ₂ eq	-	-	-
	CATEGORY 12 (end-of-life treatment of sold products)	tCO ₂ eq	-	-	-
	CATEGORY 13 (downstream leased assets)	tCO ₂ eq	-	-	5,034
	Total	tCO ₂ eq	-	-	48,858

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Environmental Performance

Category	Index	Unit	2021	2022	2023
Air pollution	NOx emissions (nitrogen oxides)	Tons	9.2	9.3	9.3
	SOx emissions (sulfur oxides)	Tons	0.5	0.0	0.0
	PM emissions (particulate matter)	Tons	2.5	4.9	4.5
	Ammonia	Tons	0.001	0.001	0.0
Water pollution	TOC	kg	0.0	43.9	3.60
	COD	kg	34.8	70.4	0.0
	SS	kg	7.2	4.5	3.1
	T-N	kg	0.0	0.0	0.0
	T-P	kg	0.1	0.0	0.0
	n-H	kg	2.8	3.2	2.0
Other pollution	VOC emissions	Tons	0.0	0.0	0.0
Harmful chemicals	Use of harmful chemicals	Tons	32	82	108
	Waste generation	General waste	Tons	285	363
Designated waste		Tons	2	6	13
Total		Tons	287	369	326
Waste treatment	Incineration	Tons	1	5	10
	Landfill	Tons	25	31	16
	Neutralization	Tons	0.4	1	1
	Recycling	Tons	260	333	297

Category	Index	Unit	2021	2022	2023	
Green products/services	Green business sales ¹⁾	KRW hundred million	909	2,182	2,289	
Environmental training	Total training hours ²⁾	Hours	32	16	16	
	Total number of people trained	People	2	1	1	
Environmental violations	Violations of environmental laws and regulations	Monetary penalty ³⁾	Cases	0	0	0
		Non-monetary penalty	Cases	0	0	0
	Fines and administrative fines	KRW million	0	0	0	
EHS	EHS investments	KRW million	918	1,534	1,863	

1) We are an eco-friendly business given the nature of secondary battery materials; hence, 100% of our sales counted toward eco-friendly business sales

2) Statutory training (area-specific statutory training for environmental engineers, statutory training for technicians, managers, inspectors handling chemicals, etc.)

3) Fines or stricter penalties (excluding administrative fines)

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Safety Performance

Category	Index	Unit	2021	2022	2023	
Safety management (employees)	Fatalities	People	0	0	0	
	Injuries (serious)	People	0	0	0	
	Injuries (minor)	People	0	1	2	
	Injury rate	%, number of injuries/ number of employees x 100	0	0.31	0.59	
	Major workplace incidents		N/A	Musculoskeletal diseases	Traffic accidents Chemical burns	
	Lost Time Injury Frequency Rate	Total injuries x million hours/total work hours ¹⁾	0.00	1.36	2.44	
Safety management (inhouse)	In-house supplier hazard rate ²⁾	%	0	0	0	
Safety training	Compulsory safety and health training hours per person	Hours	24	24	24	
	Total number of people trained	People	240	279	288	
Safety law violations	Violations of safety laws and regulations	Monetary penalties ³⁾	Cases	0	0	0
		Non-monetary penalties	Cases	0	0	0
	Fines	KRW million	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) Number of accidents at in-house suppliers / Total number of registered in-house suppliers

3) Fines or stricter penalties (excluding administrative fines)

Social (Employee) Performance

Category	Index	Unit	2021	2022	2023	
Gender	Male, domestic (executive + regular full time)	People	214	271	287	
	Female, domestic (executive + regular full time)	People	32	42	48	
	Fixed term (including contract based)	People	11	12	6	
	Total	People	257	325	341	
Workforce	Male managers	People	27	35	36	
	Female managers	People	0	0	0	
By position	Total	People	27	35	36	
	Percentage of female managers or higher positions out of all managers	%	0	0	0	
Diversity	People with disabilities	People	3	3	2	
	Foreign nationals	People	2	3	3	
	Veterans	People	3	3	3	
Changes in employment	Job creation and turnover	New hires	People	54	59	33
		New hires – female	People	0	7	2
		New hires – people with disabilities	People	0	0	0
		New hires – veterans	People	0	0	0
		Turnover (voluntary + de-hiring)	People	52	23	19
		Turnover (end of contract)	People	2	1	7

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Social (Employee) Performance

Category	Index	Unit	2021	2022	2023
	Total benefits cost	KRW thousand	346,586	3,285,010	4,056,703
	Benefits cost per employee	KRW thousand/person	1,349	10,108	11,896
Work-life balance	Employees on parental leave	People	0	2	6
	Employees on parental leave and returns	People	0	2	6
	Percentage of employees who have worked for 12 months or longer after returning from parental leave	%	-	100	100
	Total education and training (including statutory)	Total education and training	Hours	8,147	11,770
Employee participation		People	216	271	320
Compulsory training		People	172	211	237
Total employee training cost		KRW thousand	8,944	109,775	380,228
Training cost per employee		KRW thousand/person	35	338	1,115
Employee education and training ¹⁾	Sexual harassment prevention	Hours	164	213	209
	Total number of people trained	People	164	213	209
Workplace bullying prevention ²⁾	Total hours trained	Hours	-	-	209
	Total number of people trained	People	-	-	209
Disability awareness	Total hours trained	Hours	192	278	318
	Total number of people trained	People	192	278	318
Grievance/whistleblowing	Ethics violations (audit/compliance) ³⁾	Cases	1	1	0
	Average processing time	Days	9	84	0

1) ESG training for all employees was introduced in 2024

2) Workplace bullying prevention training was 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.

Social (General) Performance

Category	Index	Unit	2021	2022	2023	
Shared growth	Total suppliers	Companies	119	201	142	
	Core suppliers	Companies	10	10	12	
	Total purchases from suppliers	KRW million	28,310	49,073	55,901	
	Purchases from core suppliers	KRW million	14,570	12,901	19,944	
CSR	Social responsibility (cash donations)	KRW	10,302,050	356,655,090	34,248,010	
	In-kind donations	Cases	345	361	209	
	Talent donation and pro bono activities	People	69	135	269	
Information security	Privacy protection ¹⁾	Total hours trained	Hours	0 ²⁾	0	0
		Total number of people trained	People	0 ²⁾	0	0
	Information security ³⁾	Total hours trained	Hours	0 ²⁾	296	326
		Total number of people trained	People	0 ²⁾	296	326
Ethics and human rights training	Total hours trained	Hours	251	287	331	
	Total number of people trained	People	251	287	331	

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

2) Data not managed for 2021

3) Information security/privacy training have been separated since 2023

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Governance

Category	Index	Unit	2021	2022	2023
Board operations ¹⁾	Meetings held	Times	14	18	17
	Resolutions	Cases	19	47	31
	Reports	Cases	6	16	12
Board composition	Executive directors	People	3	3	3
	Independent directors	People	2	3	3
	Auditors/Audit Committee	People	1	1	1
Board compensation ²⁾	Registered directors (excluding independent directors and Audit Committee Members)	KRW million	385	566	1,041
	Independent directors (excluding Audit Committee Members)	KRW million	59	162	236
	Auditors	KRW million	30	59	79

1) EcoPro HN notifies the Board of Directors of 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) Total compensation

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Statement of use	EcoPro HN 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]
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

Topic	GRI Disclosure	Pages	Note	
GRI 2: General Disclosures 2021				
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	-	First report.
	2-5	External assurance	78-79	
GRI 2: Activities and workers	2-6	Activities, value chain, and other business relationships	8, 11-18	
	2-7	Employees	68	
	2-8	Workers who are not employees	-	Subject to groupwide management; as of the end of June 2024, 47 people are stationed at EcoPro HN who are employees of in-house contractors.
	2-9	Governance structure and composition	59-60	
	2-10	Nomination and selection of the highest governance body	59	
GRI 2: Governance	2-11	Chair of the highest governance body	59	
	2-12	Role of the highest governance body in overseeing the management of impacts	59-60	Including sustainable management reporting agenda; for more details, please refer to our business report.
	2-13	Delegation of responsibility for managing impacts	19	
	2-14	Role of the highest governance body in sustainability reporting	19	
	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	19, 59-60	
	2-17	Collective knowledge of the highest governance body	60	
	2-18	Evaluation of the performance of the highest governance body	-	Omission (confidentiality constraints) We pay equal wages.

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Topic	GRI Disclosure	Pages	Note	
GRI 2: Governance	2-19	Remuneration policies	Business report 246-247	
	2-20	Process to determine remuneration	Business report 246-247	
	2-21	Annual total compensation ratio	-	Omission(Confidentiality constraints) Compensation ratio is confidential, hence not disclosed.
	2-22	Statement on sustainable development strategy	4-5	
	2-23	Policy commitments	19, 30, 40, 48, 51, 59, 61	
GRI 2: Strategy, policies, and practices	2-24	Embedding policy commitments	19, 30, 40, 48, 51, 59, 61	
	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 256	We report the status of sanctions from investigative, judicial, and administrative agencies in our business report; no sanctions have been reported.
	2-28	Membership associations	80	
GRI 2: Stakeholder engagement	2-29	Approach to stakeholder engagement	21	
	2-30	Collective bargaining agreements	46	
GRI 3: Material Topics 2021				
GRI 3: Disclosures on material topics	3-1	Process to determine material topics	22	
	3-2	List of material topics	23	
Quality Management and Technological Innovation				
GRI 3: Material Topics 2021	3-3	Management of material topics	13-18, 28, 51-53	
Own indicator	-	Intellectual property rights	53	
Own indicator	-	Development of carbon neutral and resource circulation technologies	28	
Investments in Future Growth Drivers				
GRI 3: Material Topics 2021	3-3	Management of material topics	8, 18, 28	
Ethics/Anti-corruption Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	61-62	
Own indicator	-	Ethics and compliance management practice	62	

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Topic	GRI Disclosure		Pages	Note
Climate Change Response				
GRI 3: Material Topics 2021	3-3	Management of material topics	26-28	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	26	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	66	
	302-2	Energy consumption outside of the organization	66	
	302-3	Energy intensity	66	
	302-4	Reduction of energy consumption	66	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	66	
	305-2	Energy indirect (Scope 2) GHG emissions	66	
	305-3	Other indirect (Scope 3) GHG emissions	66-67	EcoPro Group has estimated and verified its Scope 3 GHG emissions from 2023.
	305-4	GHG emissions intensity	67	
	305-5	Reduction of GHG emissions	66-67	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	67	
Environmental and Safety Responsibility for Chemicals				
GRI 3: Material Topics 2021	3-3	Management of material topics	36	
Own indicator		Hazardous chemicals consumption	67	
Efforts to Reduce Pollutant Emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	32-33	
GRI 306:Waste 2020	306-1	Waste generation and significant waste-related impacts	32	
	306-2	Management of significant waste-related impacts	32	
	306-3	Waste generated	32, 67	
	306-4	Waste diverted from disposal	67	
	306-5	Waste directed to disposal	67	
Working Environment Improvement for Work-Life Balance				
GRI 3: Material Topics 2021	3-3	Management of material topics	45-46	
GRI 401: Labor/Management Relations 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	45, 69	EcoPro Group provides the same benefits for all employees; EcoPro HN also follows this practice.
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 and suppliers.

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Topic	GRI Disclosure		Pages	Note
Workplace safety and health				
GRI 3: Material Topics 2021	3-3	Management of material topics	30-31, 35-38	
	403-1	Occupational health and safety management system	30-31	
	403-2	Hazard identification, risk assessment, and incident investigation	36	
	403-3	Occupational health services	37, 45	
	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	35	
	403-6	Promotion of worker health	36-37	
	403-8	Workers covered by an occupational health and safety management system	68	
	403-9	Work-related injuries	37-38, 68	Supplier information is considered sensitive, hence not disclosed.
	403-10	Work-related ill health	68	
Fair employment and management				
GRI 3: Material Topics 2021	3-3	Management of material topics	43	
Own indicator	-	Changes in employment	68	
Responsible supply chain management				
GRI 3: Material Topics 2021	3-3	Management of material topics	48-49	
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	49	
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	49	
Customer health and safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	51-54	
Expansion of legal and compliance management				
GRI 3: Material Topics 2021	3-3	Management of material topics	61-62	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A	Zero anti-competition and anti-trust violations during the reporting period.

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Sustainability Disclosure Topics & Metrics

Topic	Code	Category	Metric	Measurement Unit	Page
Table 1. Sustainability Disclosure Topics & Metrics					
Environmental Impacts of Project Development	IF-EN-160a.1	Quantitative	Number of incidents of non-compliance with environmental permits, standards and regulations	Number	N/A
	IF-EN-160a.2	Discussion and Analysis	Discussion of processes to assess and manage environmental risks associated with project design, siting and construction	n/a	34
Structural Integrity & Safety	IF-EN-250a.1	Quantitative	Amount of defect- and safety-related rework costs	Reporting currency	-
	IF-EN-250a.2	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents * IF-EN-250a.2 Note : Companies should briefly explain the nature and cause of the financial loss, as well as the corrective actions taken as a result of such loss	Reporting currency	N/A
Workforce Health & Safety	IF-EN-320a.1	Quantitative	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Rate	67
Lifecycle Impacts of Buildings & Infrastructure	IF-EN-410a.1	Quantitative	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	Number	52
	IF-EN-410a.2	Discussion and Analysis	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	n/a	32-34
Climate Impacts of Business Mix	IF-EN-410b.1	Quantitative	Amount of backlog for (1) hydrocarbon related projects and (2) renewable energy projects	Reporting currency	-
	IF-EN-410b.2	Quantitative	Amount of backlog cancellations associated with hydrocarbon-related projects	Reporting currency	-
	IF-EN-410b.3	Quantitative	Amount of backlog for non-energy projects associated with climate change mitigation	Reporting currency	-
Business Ethics	IF-EN-510a.1	Quantitative	(1) Number of active projects and (2) backlog in countries that fall within the bottom 20 in Transparency International's Corruption Perception Index	Number, Reporting currency	-
	IF-EN-510a.2	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices * IF-EN-510a.1 Notes: companies should briefly describe their approach to managing the unique ethical risks associated with countries that have a low corruption perception index, particularly in relation to ongoing projects and/or order backlogs.	Reporting currency	N/A
	IF-EN-510a.3	Discussion and Analysis	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes	n/a	N/A
Table 2. Activity Metrics					
Number of active projects	IF-EN-000.A	Quantitative		m ³ and/or ton	-
Number of commissioned projects	IF-EN-000.B	Quantitative		Number	-
Total backlog	IF-EN-000.C	Quantitative		Number	-

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TCFD(Task Force on Climate-Related Financial Disclosures)

Category	TCFD Recommendations	Page
<p>[Governance] Disclose the organization's governance around climate-related risks and opportunities</p>	A. Describe the board's oversight of climate-related risks and opportunities	26
	B. Describe management's role in assessing and managing climate-related risks and opportunities	
<p>[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</p>	A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	26
	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	
<p>[Risk Management] Disclose how the organization identifies, assesses, and manages climate-related risks</p>	A. Describe the organization's processes for identifying and assessing climate-related risks	26-27
	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	
<p>[Metrics & Targets] Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</p>	A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	27, 66
	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	

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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"> Supporting the community and vulnerable classes
	Healthy and happy lives Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> Programs to promote employee health Workplace safety inspections and risk assessments Employee welfare programs Working condition improvements
	Quality education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> Talent development programs Community programs to foster future talent
	Gender equality Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> Invigoration of child care support and parental leave
	Healthy and safe water management Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> Water stress management Monitoring system for wastewater treatment
	Environmentally friendly production and consumption of energy Ensure access to affordable, reliable, sustainable, and modern energy for all	<ul style="list-style-type: none"> Plans to expand the use of renewable energy
	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"> Job creation for the vulnerable (jobs for people with disabilities)

SDGs and Directions		Key Activities
	Eliminate inequality of all kinds Reduce inequality within and among countries	<ul style="list-style-type: none"> Onnuri Sports Team operation and sponsorship Human Rights Management Policy establishment
	Sustainable cities and communities Make cities and human settlements inclusive, safe, resilient, and sustainable	<ul style="list-style-type: none"> Organization of activities to improve the community environment, etc.
	Sustainable production and consumption Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> Waste recycling
	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"> Establishment of GHG emissions reduction targets and detailed measures Establishment and estimation of Scope 3 GHG emissions Establishment of GHG reduction measures in the mineral supply chain
	Conserve terrestrial ecosystems Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss	<ul style="list-style-type: none"> Monitoring wildlife for biodiversity conservation
	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"> Building a human rights management system by establishing the Human Rights Management Policy Sound governance through the establishment of the Corporate Governance Charter
	Strengthen partnerships and collaboration Strengthen the means of implementation and revitalize the global partnership for sustainable development	<ul style="list-style-type: none"> Sustainability management by disseminating the Supplier Code of Conduct

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Relating to EcoPro HN Co., Ltd.'s Sustainability Report for the calendar year 2023

This Assurance Statement has been prepared for EcoPro HN Co., Ltd. in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

LRQA was commissioned by EcoPro HN Co., Ltd. to provide independent assurance on its 'EcoPro HN Sustainability Report 2023' ("the report") against the assurance criteria below to a moderate level of assurance and materiality of professional judgement using Accountability's AA1000AS v3, where the scope was a Type 1 engagement.

Our assurance engagement covered EcoPro HN Co., Ltd.'s operations and activities in Korea and specifically the following requirements:

- Evaluating adherence to the AA1000 AccountAbility Principles¹ of Inclusivity, Materiality, Responsiveness and Impact
- Confirming that the report is in accordance with GRI Standards 20212

Our assurance engagement excluded the data and information of EcoPro HN Co., Ltd.'s suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to EcoPro HN Co., Ltd. LRQA disclaims any liability or responsibility to others as explained in the end footnote. EcoPro HN Co., Ltd.'s responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of EcoPro HN Co., Ltd.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that EcoPro HN Co., Ltd. has not, in all material respects:

- Met the requirements above
- Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a moderate level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a moderate assurance engagement is less than for a high assurance engagement. Moderate assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a moderate assurance engagement is substantially lower than the assurance that would have been obtained had a high assurance engagement been performed.

LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing EcoPro HN Co., Ltd.'s approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through reviewing documents and associated records.
- Reviewing EcoPro HN Co., Ltd.'s process for identifying and determining material issues to confirm that the right issues were included in their Report. We did this by benchmarking reports written by EcoPro HN Co., Ltd. and its peers to ensure that sector specific issues were included for comparability. We also tested the filters used in determining material issues to evaluate whether EcoPro HN Co., Ltd. makes informed business decisions that may create opportunities that contribute towards sustainable development.
- Checking that the GRI Content Index allows stakeholders to access sustainability indicators.
- Reviewing additional evidence made available by EcoPro HN Co., Ltd. at its Seoul office.

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Observations

Further observations and findings, made during the assurance engagement, are:

• Inclusivity:

We are not aware of any key stakeholder groups that have been excluded from EcoPro HN Co., Ltd.'s stakeholder engagement process.

• Materiality:

We are not aware of any material issues concerning EcoPro HN Co., Ltd.'s sustainability performance that have been excluded from the report. It should be noted that EcoPro HN Co., Ltd. has established extensive criteria for determining which issue/aspect is material and that these criteria are not biased to the company's management. However, EcoPro HN Co., Ltd. should strengthen its relevant procedures to be able to select and report appropriate performance indicators that describe its management performance associated with material topics.

• Responsiveness:

EcoPro HN Co., Ltd. has processes in place to respond to its stakeholders especially shareholders, investors, employees, local community, suppliers, government authorities, etc.

• Impact:

EcoPro HN Co., Ltd. is recommended to improve the materiality assessment process by not only considering stakeholders' opinions but also utilizing a broader range of information sources and applying clearer criteria.

LRQA's standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification engagement is the only work undertaken by LRQA for EcoPro HN Co., Ltd. and as such does not compromise our independence or impartiality.

Dated: 28 August 2024

LRQA Lead Verifier **Tae-Kyoung Kim**

On behalf of LRQA

2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu, Seoul, Republic of Korea

LRQA reference: SEO00001582



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Greenhouse Gas Verification Statement

GHG Emissions

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 1, 2 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of ECOPRO HN (hereinafter 'Company') for 2021~2023.

Verification Scope

KFQ's Verification Scope covered on all facilities and emission sources under the operational control and organizational boundary of ECOPRO HN during 2021~2023.

Verification Criteria

The verification process was based on [Rule for emission reporting and certification of greenhouse gas emission trading Scheme¹⁾] [Rule for emission reporting and certification of greenhouse gas emission trading Scheme²⁾] for every applicable part.

1) Notification No. 2023-221 of Ministry of Environment

2) Notification No. 2021-112 of Ministry of Environment

Level of Assurance

The Verification has been planned and conducted as the 'Rule for verification of operating the greenhouse gas emission trading Scheme', and the level of assurance for verification shall be satisfied as reasonable level of assurance. And it was confirmed through an internal review whether the process before the verification conducted effectively.

Verification Limitation

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

Verification Opinions

Regarding to the data of the Greenhouse Gas Emission Consumption from the report through the verification, KFQ provides our verification opinions as below;

- 1) GHG emissions for 2021~2023 of Company were properly calculated according to the verification standards.
- 2) The data and information used in calculating the GHG emissions were appropriate, reasonable, and no significant errors or omissions could affect verification statement were not found. The materiality assessment result of GHG emissions has met the agreed-upon criterion of less than 5%.
- 3) Thus, KFQ concludes that the GHG emissions of Company in 2021~2023 is correctly calculated and stated in accordance with 'Rule for emission reporting and certification of greenhouse gas emission trading Scheme'.

Unit : tCO₂eq

Year	Scope 1	Scope 2	Total
2021	568	1,656	2,224
2022	956	3,645	4,601
2023	973	3,544	4,517

Jun 19th, 2024

CEO Ji-Young Song
Korean Foundation for Quality



National Institute of Environmental Research



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Greenhouse Gas Verification Statement

GHG Emissions Verification

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 3 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of ECOPRO HN (hereinafter 'Company') for 2023.

Verification Scope

The Verification Scope covered the emissions categories selected by the company and the emissions between January 1st, 2023 to December 31st, 2023.

Verification Criteria

The following criteria and coefficients used by the company were applied.

- Criteria
 - WBCSD/WRI, Corporate Value Chain (Scope 3) Accounting and Reporting Standard
 - ISO 14064-1:2018
 - GHG Protocol Corporate Standard
 - Rule for emissions reporting and certification of greenhouse gas emission trading Scheme¹⁾
 - ISO 14064-3:2019

1) Notification No. 2023-221 of Ministry of Environment

- Coefficient
 - Environmental Product Declaration evaluation coefficient (2021)

Level of Assurance

The verification was performed in accordance with the procedures specified in ISO 14064-3 and the assurance level of the verification was performed to satisfy the limited assurance level.

Verification Limitation

GHG emissions verification involves inherent limitations that may arise depending on the organization's data characteristics, calculation and estimates, sampling method, and limited assurance level. Additionally, this verification does not include responsibility for the accuracy of the original data provided by the company.

Verification Opinions

Through the verification process according to the 'ISO 14064-3:2006' KFQ could obtain reasonable basis to express following conclusion on the Greenhouse Gas Emission Report.

- 1) GHG emissions for 2023 of Company were properly calculated according to the verification standards.
- 2) For GHG emissions, no material errors of omissions were found, except for emissions information not considered within the selected category range.
- 3) The criteria and process established or estimated/assumed by the company to calculate GHG emissions were transparently reflected in the internal calculation process.

June 22st, 2024

CEO Ji-Young Song
Korean Foundation for Quality



National Institute of Environmental Research



Appendix A. Summary of Scope 3 GHG Emission Results

Organization

ECOPRO HN

Emission calculation period

The emission calculated period is from January 1st to December 31st, 2023.

Unit : tCO₂eq

Category		Scope 3 Emissions
1	Purchased goods & services	34,685
2	Capital goods	311
3	Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	360
4	Upstream Transportation and Distribution	7,666
5	Waste Generated in Operations	17
6	Business Travel	237
7	Employee Commuting	338
8	Upstream Leased Assets	33
9	Downstream Transportation and Distribution	177
13	Downstream Leased Assets	5,034
Total		48,858

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► Awards and Memberships

Awards and Memberships

Memberships

Organization	Description
K EV100	The Korean Zero Emission Vehicle Conversion 100 (K EV100) is a vehicle owned and leased by a standard company. Declaring a transition to 100% zero-emission vehicles by 2030 and mentioning it step by step Ministry of Environment account

Awards

Date	Awarder	Description
Jun. 2022	Ministry of Trade, Industry and Energy	Certificate of Designation World Class 300 Company

Certifications

Category	Time (validity)	Description
ISO 14001	November 08, 2023 ~ November 07, 2026	Environmental Management System
ISO 45001	December 27, 2022 ~ December 26, 2025	Occupational Health and Safety Management System
ISO 9001	April 02, 2024 ~ March 23, 2027	Quality Management System
ISO/IEC 17025	July 30, 2024 ~ July 29, 2028	Korea Laboratory Accreditation Scheme
Underwriters Laboratories	September 22, 2022	Underwriters Laboratories

EcoPro *HN*