

Everyday Everywhere

EcoPro BM Sustainability Report 2022



EcoPro **BM**

ABOUT THIS REPORT

Report Overview

EcoPro BM aims to establish grounds for communication with all of its customers, shareholders, investors and other interested individuals through its first-ever Sustainability Report. This report describes our multi-faceted achievements and goals, uniformly based on economic, social and environmental values. Additionally, it demonstrates the link between our strategies and ESG strategies, disclosing our plans and performance pursuant to the UN Sustainable Development Goals (SDGs). Ultimately, through the established annual publication of this report, we are substantiating our commitment and efforts as a sustainable company that develops alongside local communities.

Reporting Period

This report describes our performance and achievements based on financial and non-financial indicators from both qualitative and quantitative perspectives from January 1 to December 31, 2022. We aim to enhance the comprehension of our valued stakeholders regarding several current key issues in the first half of 2023. For quantitative accomplishments, we aim to ensure understanding of our past achievement by presenting 3-year performance data related to environmental, societal, and governmental matters.

Reporting Scope

The scope of this report encompasses the economic achievements of all EcoPro BM's domestic and overseas business sites. For our social and environmental achievements, we focused on domestic business sites taking into account their magnitude, constitution and impact. The report additionally lists the performance results from a number of holding companies.

Reporting Guidelines

This report has been prepared by referring to the Global Reporting Initiative (GRI) Standards 2021, an internationally established standard guideline for sustainable management. The financial information is based on consolidated financial reports, and reporting standards and definitions adhere to the Korean International Financial Reporting Standards (K-IFRS). Any financial or non-financial information that is aggregated under standards separately established by EcoPro BM is cited with an annotation.

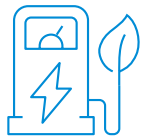
Report Assurance

To ensure the reliability of the data and prevent the possibility of ESG washing, this report has undergone an assurance engagement by the Korean Foundation for Quality (hereinafter referred to as the "KFQ"), which is a third-party independent assurance provider. KFQ's thirdparty assurance statement is documented on pages 72 - 73.

Inquiries on the Report

This report can be downloaded from the EcoPro BM website (<https://ecoprobm.co.kr/eng>). For any inquiries, please refer to the contact information below.

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Interactive PDF

This report has been published as an interactive PDF, featuring a hyperlink to the corresponding pages in the report and the associated web pages.

Navigator Button

Cover Page
Go to the cover page.

Previous Page
Go to the previous page.

Contents
Go to the page listing the table of contents.

Next page
Go to the next page.

CONTENTS

About This Report	001
CEO Message	003
ESG Highlights	005

ABOUT ECOPRO BM

EcoPro BM Profile	007
EcoPro BM Key Milestones	009
EcoPro BM Global Network	010
EcoPro BM Development Strategy	011

CORPORATE SUSTAINABILITY

Double Materiality Assessment	015
ESG Core Task Achievements in 2022	017
ESG-Centered Organizational Chart	018
Stakeholder Engagement and Communication	019

PROGRESS ON ESG

ENVIRONMENTAL	021
SOCIAL	033
GOVERNANCE	052

APPENDIX

ESG Data	062
GRI Standards Index	068
TCFD (Responding to Climate Change)	071
Third Party Assurance Statement	072
Outstanding Accomplishments and Affiliated Associations	074

CEO MESSAGE

Enabling sustainability for our company, our customers, and the world

We sincerely appreciate your invaluable encouragement and unwavering support, which played a crucial role in our record-breaking business performance last year, on behalf of our employees.

The world is currently grappling with a number of social and environmental crises, including international instability, human rights abuses, climate change, and natural disasters. To secure a sustainable future, corporations and stakeholders must actively embrace ESG management that addresses global climate change and fulfills social responsibility. Accordingly, many businesses are now pursuing sustainable management by establishing responsible supply chains, committing to carbon neutrality, and transitioning to eco-friendly energy sources.

Having successfully mass-produced high-nickel cathode materials, EcoPro BM aims to secure a solid position in the cathode materials market and provide values that exceed the expectations of all its stakeholders as a company with the No.1 global market share.

First, we will actively participate in practicing ethical management.

EcoPro BM's employees prioritize ethical management for corporate competitiveness. We adhere to laws and company policies, fostering ethical decision-making. We aim to be a trusted company, promoting fair competition for transparency, trust, and shared growth opportunities.

Second, we will take the lead in protecting human rights.

We commit to addressing human rights risks in our economic activities per UN Guidelines on Business and Human Rights. Transparent action will follow any confirmed violations, with improvements disclosed. Also, we'll establish a human rights management system, promoting cultural respect, diversity, women's rights, and a non-discriminatory workplace.





Third, we will actively respond to climate change.

We're committed to proactive environmental management to minimize our impact on both people and the planet. We'll achieve carbon neutrality by 2050 under United Nations Framework Convention on Climate Change. We'll increase the use of recycled and renewable materials, set efficiency goals for resources utilization, and engage with stakeholders through transparent information sharing.

Fourth, we will pursue shared growth with our local communities.

We're committed to resolving local community issues and fostering mutual growth. Through diverse social contributions, we support the underprivileged, promote environmental protection, and aim for a win-win relationship, fostering sustainable social values and shared growth.

Fifth, we will take the lead in establishing a responsible supply chain.

We lead in creating responsible supply chains, prioritizing mutual understanding and respect for our suppliers. We emphasize responsible supply chains through guidelines on ethics, human rights, environment, and community development. We actively assist our suppliers in meeting their corporate responsibilities. These interactions create social value, build partner trust, and ensure our sustainable growth.

Respected stakeholders!

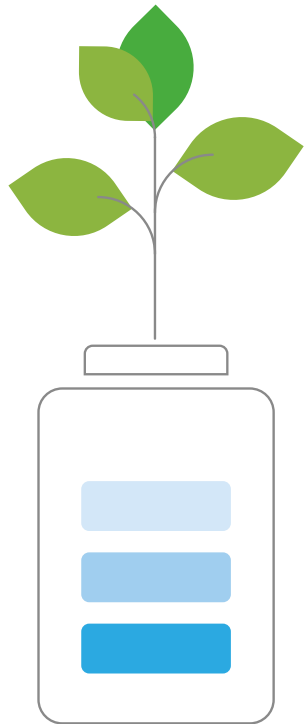
EcoPro BM's employees are committed to creating a sustainable society and fostering corporate growth through trust. We embrace bold attempts, challenges, changes, and innovations to shape a brighter future. We greatly appreciate your ongoing interest and support as we advance toward excellence.

Thank you.

Co-CEOs | Joo Jae-hwan, Choi Moon-ho

Handwritten signatures of the Co-CEOs, Joo Jae-hwan and Choi Moon-ho. The signature on the left is in cursive, and the one on the right is in a more stylized, blocky font.

ESG HIGHLIGHTS



ENVIRONMENTAL

Achieved **99.4%** waste recycling rate for achieve a circular economy



Reduced **GHG emissions** to sales by 52% YoY



Obtained Product Carbon Footprint Certification

Advanced mid- to long-term carbon neutrality



Reduced wastewater discharge of regulated substances **by 70% compared to allowable criteria**



SOCIAL

Published **Responsible Minerals Report** for a sustainable supply chain



Expanded use of eco-friendly materials **Transitioned to "Green Building"**



Social contribution

compared to last year; Donations and investments increased by 558%; Employee participation grew by 78%



Discovered new technologies

through innovation contests; including the development of high-end NCA cathode materials



GOVERNANCE

Achieved a **360%** YoY increase in sales; reaching of KRW 5.4 trillion in 2022



Upgraded long-term credit rating to **A-**, one level higher YoY



Enhanced shareholder-friendly management;

Retired KRW 42 billion in treasury stocks



Practiced transparent management

 with a focus on the BOD;

adding independent directors with expertise and independence to form a BOD majority





ABOUT ECOPRO BM

EcoPro BM Profile	007
EcoPro BM Key Milestones	009
EcoPro BM Global Network	010
EcoPro BM Development Strategy	011

ECOPRO BM PROFILE

Company Introduction

In May 2016, EcoPro BM split off from its parent company, EcoPro, in order to enhance its expertise in the cathode material business. It is the first company to develop and mass-produce a high-nickel cathode materials, which solidified its position as a leader in the global high-capacity cathode material market.

The lithium-ion secondary batteries have unlimited potential for future growth, with diverse applications including electric vehicles (EV), energy storage systems (ESS), uninterruptible power supplies (UPS), smart grids, and aerospace, medical and military purposes, among others. Recognizing this potential, EcoPro BM is growing on a path into a core material manufacturer, poised to propel South Korea to the forefront of the next-generation battery industry.

Company	EcoPro BM
Founded	May 01, 2016
Co-CEOs	Joo Jae-hwan and Choi Moon-ho
Number of Employees	1,314 (As of Dec. 2022) persons
Head office	100, 2 Sandan-ro, Ochang-eup, Cheongwon-gu, Cheongju-si, Chungcheongbuk-do
Credit rating	Bonds A- (NICE Investors Service, April 27, 2023/ Korea Investors Service, May 2, 2023) Short-term bonds A2- (NICE Investors Service, April 28, 2023/ Korea Investors Service, May 2, 2023)

MISSION

We strive to improve the quality of people’s lives and deliver convenience by introducing new energy and environmental improvement technologies.

Management Philosophy

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

Core Value



Challenge-Taking

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



Trust

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



Change and Innovation

- We strive to expand into new markets consistently.
- We explore new technologies, products, and ideas consistently.

ECOPRO BM PROFILE

Organizational Chart



Main Products

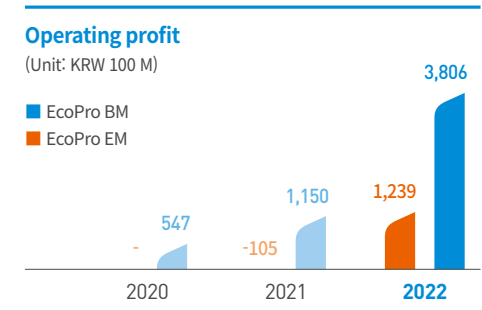
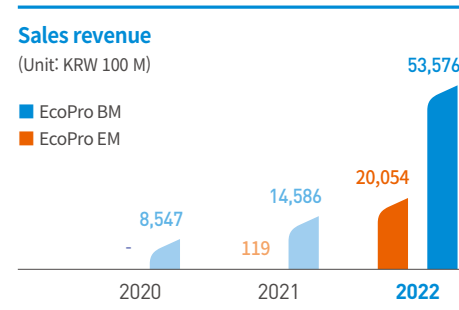
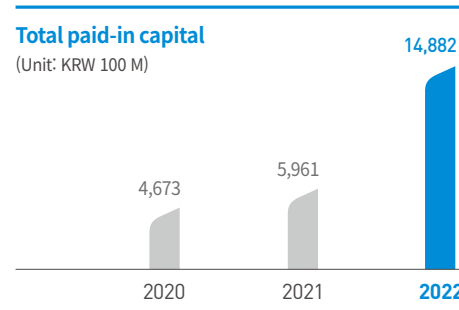
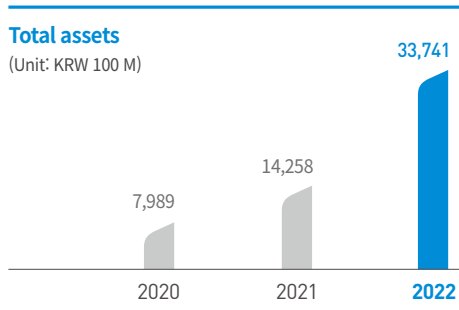
A cathode material is a key material that accounts for the highest cost ratio in secondary batteries. It plays a pivotal role in performance, such as the capacity of secondary batteries. The capacity of a secondary battery is characterized by being proportional to the percentage of nickel content, and we specialize in high-nickel ternary cathode active materials with nickel content of 80% or more.

Cathode Materials

- NCA**
 - Offers higher power and energy density compared to other materials
 - Mainly used in high-power power tools, recently expanded to EVs
 - Korea's first high-nickel NCA cathode material, commercialized by EcoPro BM (2008)
- NCM**
 - Nickel, cobalt, and manganese are present in a constant ratio in the layered transition structure.
 - Most commonly used for medium and large-size batteries in EVs and ESS.
 - The world's first CSG* product, an exclusive material for EVs, commercialized by EcoPro BM (2016).
- NCMX**
 - Combines the advantages of NCA (high power) and NCM (longevity)
 - High-performance, high-stability, high-nickel cathode material applied with single crystal
 - Enables customized products to meet customer needs

*CSG: Advanced NCM811

Key Financial Performance



* EcoPro EM: EcoPro BM's subsidiary and a JV with Samsung SDI

ECOPRO BM KEY MILESTONES

2016

May 2016 Founded EcoPro BM (May 1).



2017

Apr. 2017 Constructed the CAM 4 Plant and moved the head office to Ochang;

Apr. 2017 Named as the “World-Class 300” company;

Jul. 2017 Won the 2017 IR52 Jang Youngsil Award (Prime Minister Award) for high-nickel cathode materials



Held the Head Office and CAM4 Plant Construction Completion Ceremony



Named as the World-Class 300 Company

2018

Mar. 2018 Won the Jang Young-sil Award (Prime Minister Award) for the NCA Series;

Sep. 2018 Won the Prime Minister’s Award as a leading natural circulation company;

Sep. 2018 Constructed the CAM 4N Plant (Ochang)



Won the Prime Minister's Award level under Jang Young-shil Awards



Held the CAM4 Plant construction completion ceremony

2019

Mar. 2019 Listed on the KOSDAQ;

Oct. 2019 Constructed the CAM5 Plant (Pohang) (Annual production approx. 30,000 t);

Dec. 2019 Won the USD 500 M Exports Award;

Dec. 2019 Named the top 2019 investment attraction company by Gyeongsangbuk-do



Listed on KOSDAQ



Won the USD 500 M Exports Award

2020

Jan. 2020 Signed a mid- to long-term contract to supply high-nickel NCM for EV batteries;

Feb. 2020 Agreed to establish a joint venture to boost CAM production capacity;

Feb. 2020 Established EcoPro EM;

Sep. 2020 Established EcoPro BM America, Inc.



Signed a mid- to long-term NCM supply contract



Mar. 2020: Won the Gold Tower Order of Industrial Service Merit

2021

Jan. 2021 Named the Best Company in Materials, Parts, & Equipment by the Ministry of Trade, Industry & Energy;

Sep. 2021 Established EcoPro Global Co., Ltd.;

Oct. 2021 Constructed the CAM6 Plant (Pohang) (EcoPro EM, annual production approx. 36,000 t)



Held the construction completion ceremony for Eco Battery Pohang Campus



Named the Best Company in Materials, Part, & Equipment

2022

Jan. 2022 Established EcoPro Global Hungary Zrt;

Mar. 2022 Participated QMB nickel project in Indonesia;

Apr. 2022 Signed an MOU to develop a sulfide-based all-solid-state battery;

Jun. 2022 Retired treasury stock (per BOD resolution, approx. KRW 42 B)

Jul. 2022 Signed an LOI for joint North America investment with SK On, & Ford;



Announced investment in Hungary



Held a signing ceremony for the nickel project in Indonesia

Oct. 2022 Constructed the CAM6 Plant (Pohang) (EcoPro EM, annual production approx. 54,000 t);

Nov. 2022 Named as the KOSDAQ global segment company;

Dec. 2022 Won the USD 1 B Exports Award on the 59th Trade Day (Korea International Trade Association);

Dec. 2022 EcoPro EM, won the USD 5 M Experts Award on the 59th Trade Day (Korea International Trade Association)

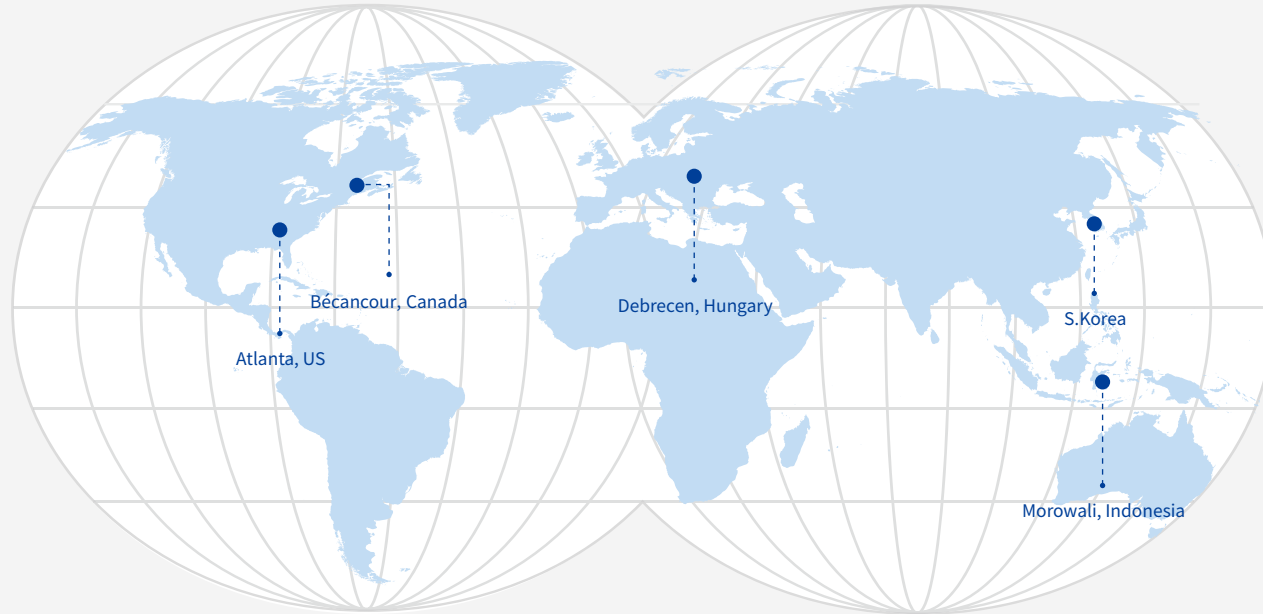


Surpassed KRW 500 B in sales



Held the construction completion ceremony for CAM7 Plant

ECOPRO BM GLOBAL NETWORK



Domestic network	Seoul Office
	Ochang Headquarters
	Pohang Campus
	EcoPro EM
Overseas network	EcoPro Global Hungary Zrt.
	EcoPro BM America Inc.
	EcoCAM Canada Inc., EcoPro CAM Canada General Partner Inc.
	QMB Nickel Project in Indonesia



View of EcoPro BM's Ochang Headquarters



View of EcoPro BM's Pohang Campus

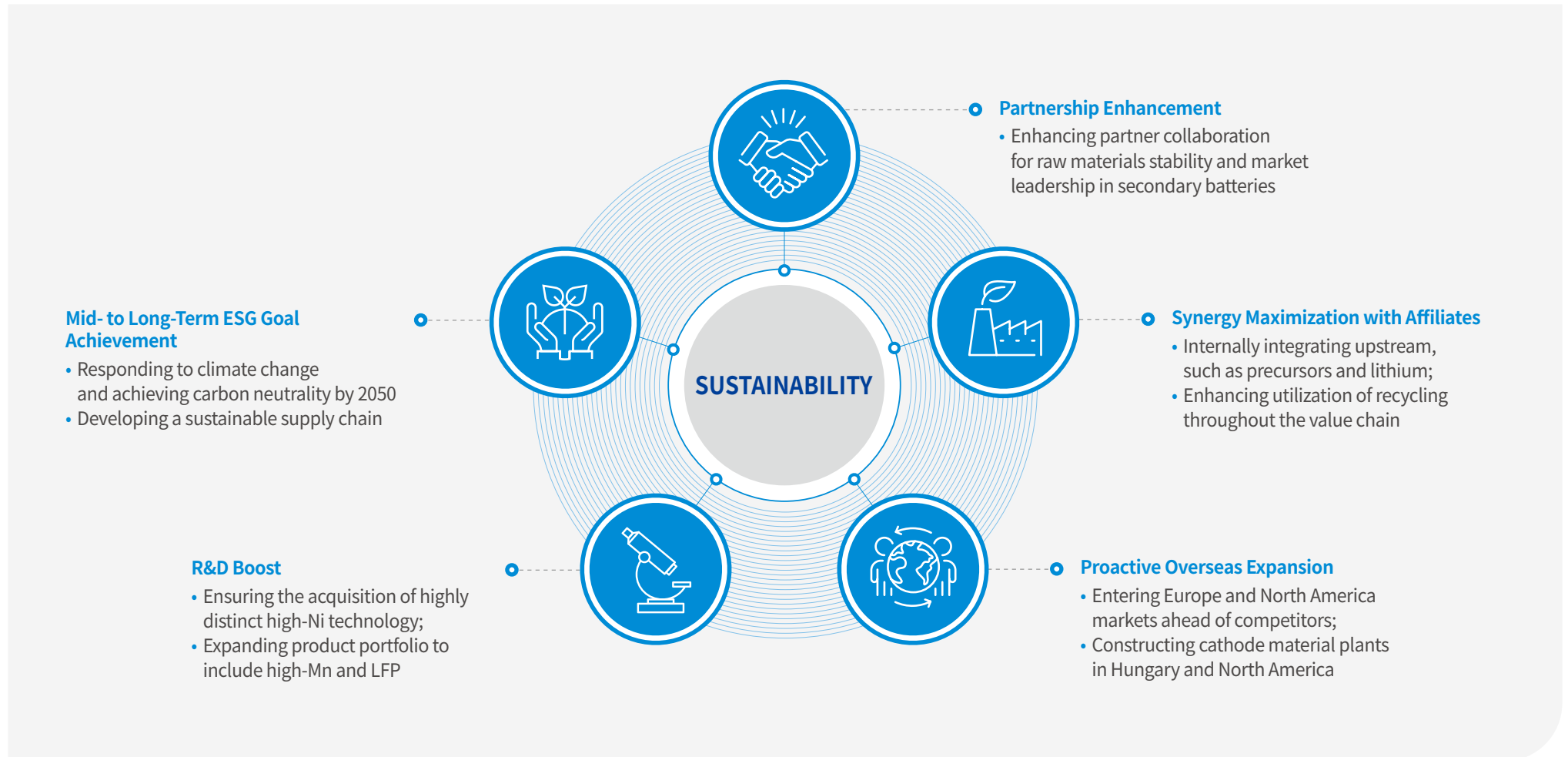


3D View of Hungary Campus

ECOPRO BM DEVELOPMENT STRATEGY

5 Major Strategies

EcoPro BM has developed 5 major strategies to secure its top position in the global cathode material market and lead the secondary battery market.



ECOPRO BM DEVELOPMENT STRATEGY

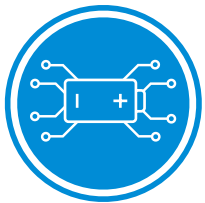
Product Strategy

Maintain top-ranked leadership in high-nickel cathode materials



- **NCA** : Achieving high capacity and stability through the application of single-crystal technology
- **NCM** : Enhancing price competitiveness by improving production yield
- **NCMX** : Improving customer satisfaction through distinctive and customized solutions
- **NMX** : Cost-saving through “Co Less or Free” approach

Achieve customer satisfaction through product diversification

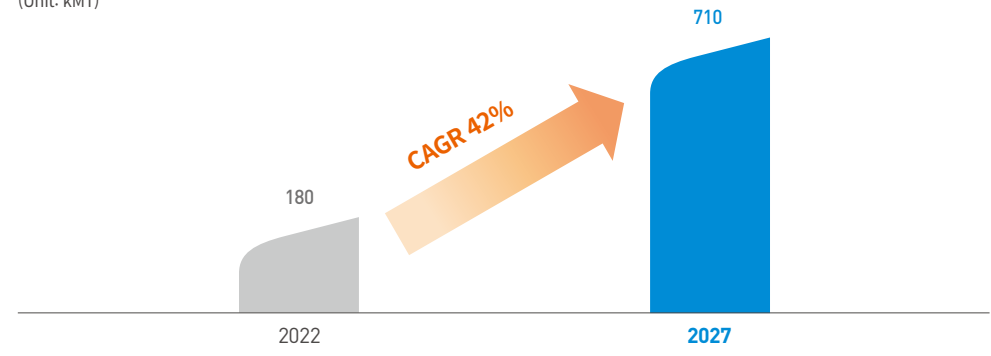


- **Solid-state battery** : Ensuring exceptional stability
- **LFP** : Expanding into the entry-level price product markets
- **Sodium-ion** : Innovating in the development of new materials
- **Mn Rich** : Driving next-generation product development

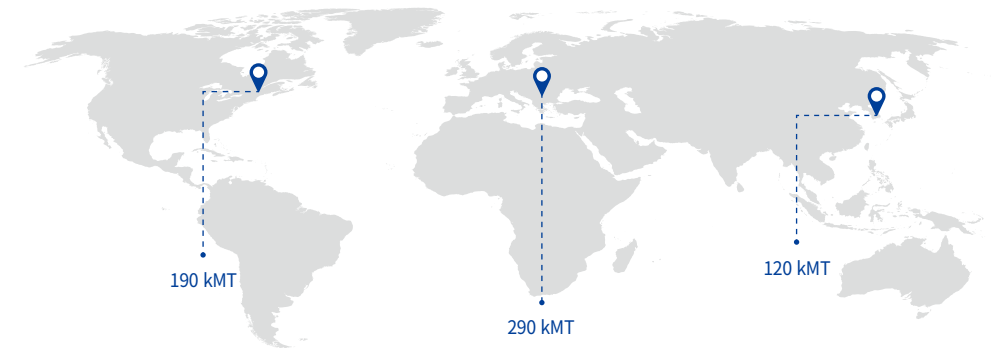
Production Capability

By 2027, achieve an annual production capacity of 710,000 tons in South Korea and overseas countries

(Unit: kMT)



By 2026, achieve global sales of 600,000 tons targeting European and North American markets



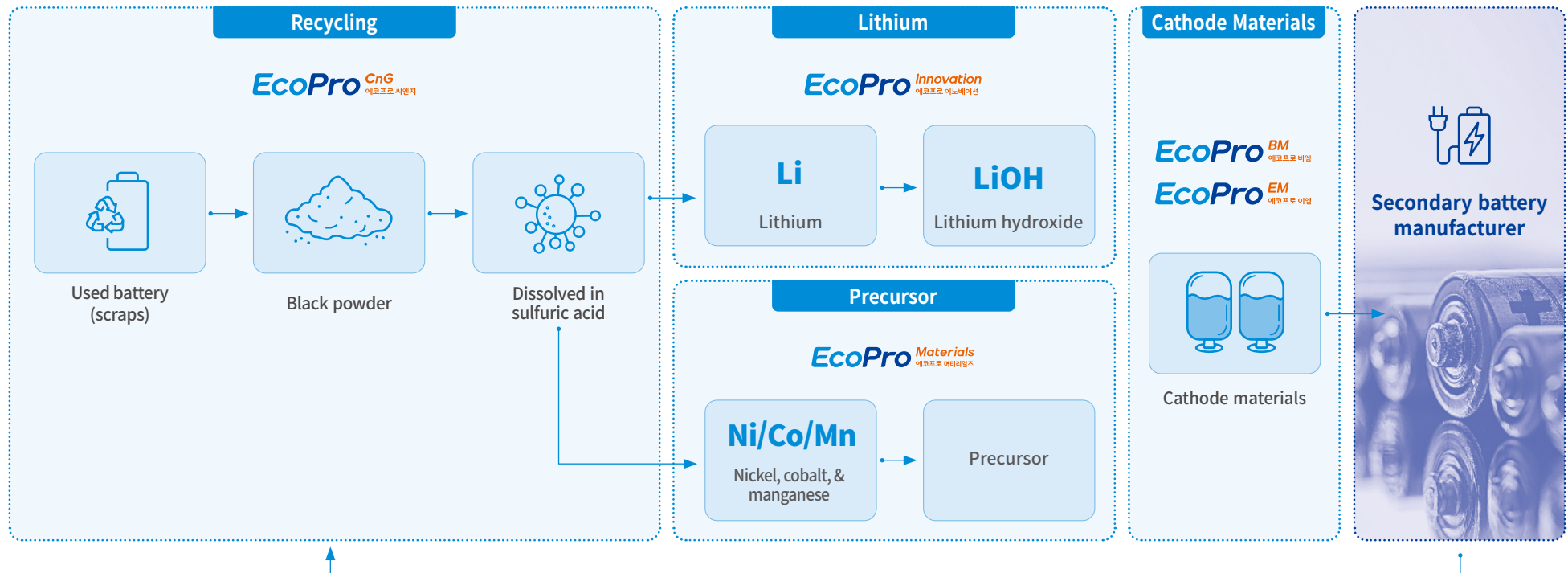
[Note] EcoPro Group's Secondary Battery Ecosystem Strategy: Closed-Loop Ecosystem

EcoPro BM will enhance its position in the secondary battery market through engaging the recycling-based upstream value chain within its group and establishing a resource circulation system with affiliated companies.

Each Affiliate's Role in the ecosystem

- EcoPro CnG : Collects used batteries and/or scraps generated during battery production, and smelts valuable metals from them
- EcoPro Innovation : Refines recycled lithium and/or purchased lithium carbonate to produce lithium hydroxide
- EcoPro Materials : Sulfurizes recycled and/or purchased nickel, cobalt, and manganese to make precursors
- EcoPro BM/EM : Manufactures cathode materials using lithium hydroxide and precursors from affiliates and/or external sources

|| CLOSED LOOP ECO-SYSTEM ||





CORPORATE SUSTAINABILITY

Double Materiality Assessment	015
ESG Core Task Achievements in 2022	017
ESG-Centered Organizational Chart	018
Stakeholder Engagement and Communication	019

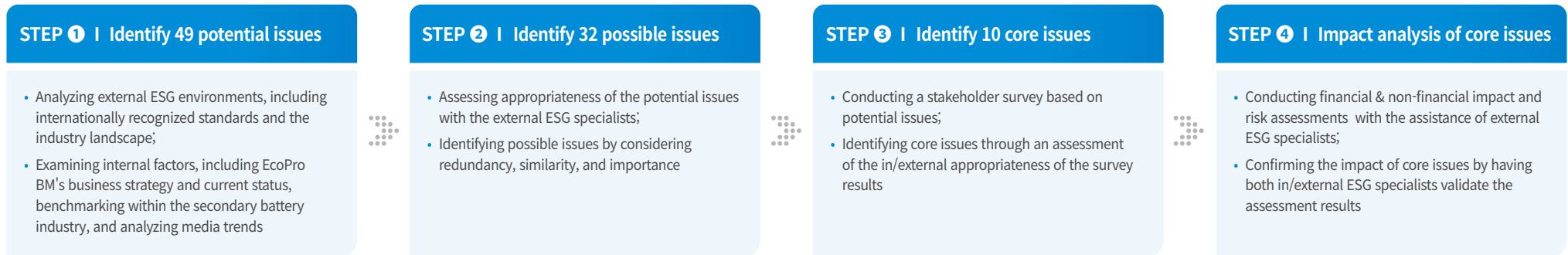
DOUBLE MATERIALITY ASSESSMENT

Double Materiality Assessment Overview

Double materiality is a business approach that considers the impact of a company's activities on both its financial performance and the environment and society. A double materiality assessment helps a company understand the needs of society and stakeholders, as well as the impact of its operations on the environment and the company itself. With a double materiality assessment in hand, companies can develop sustainable business strategies that create value for all.

EcoPro BM identified 10 core issues through a review of media coverage, industry benchmarking, and stakeholder and ESG expert feedback. ESG experts also performed an impact analysis of these issues.

Double Materiality Assessment Process



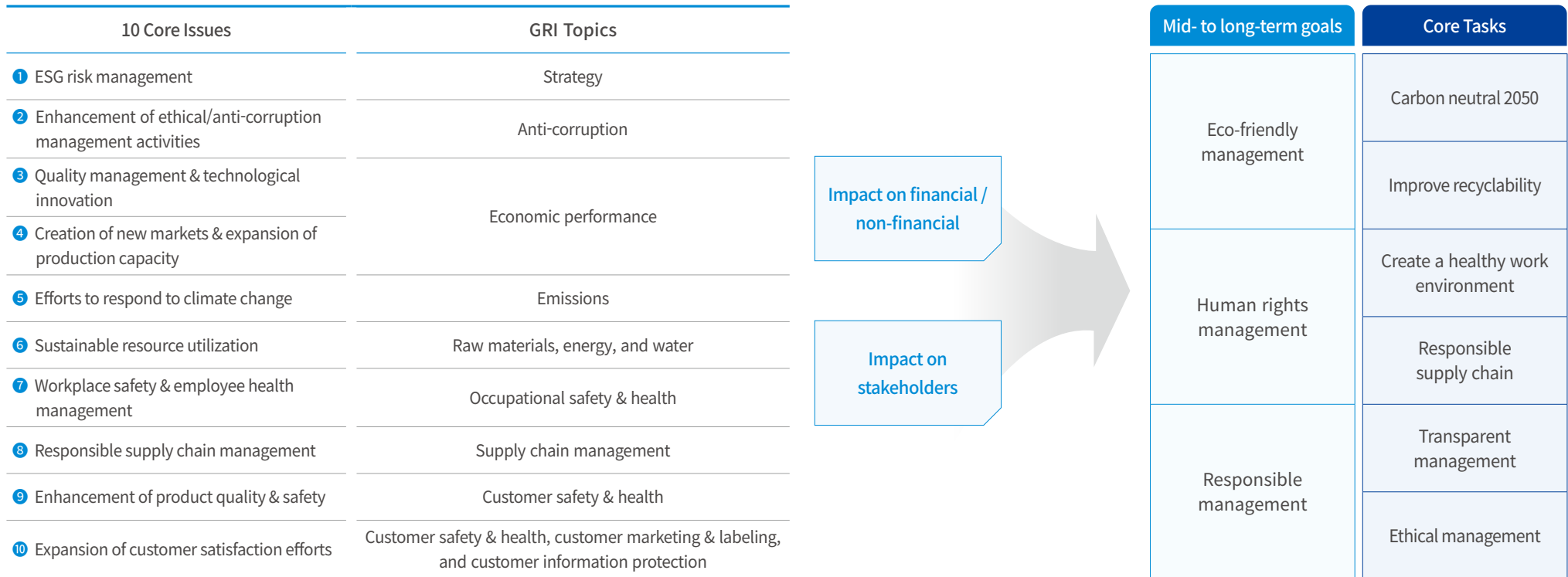
Double Materiality Assessment Method

Types		Analysis Tools	Details
① 49 potential issues	External environment analysis	Global standards review	• Analyze of GRI standards, UN SDGs, SASB, TCFD, ISO 26000, KCGS, & K-ESG indicators
		ESG trends survey	• Check macroscopic ESG changes according to the STEEP model (social, technological, economic, environmental, political)
	Internal environment analysis	Business orientation & status	• Analyze corporate data such as business reports, website, & IR presentations
		Industry benchmarks	• Survey ESG issues of secondary battery companies, including Umicore, Sumitomo Metal Mining, POSCO Future M, L&F, and LG Chem
	Media analysis	• Reference articles from 54 media outlets, including national daily newspapers and broadcasting networks • Analyze 141 articles on ESG issues related to EcoPro BM (1 Jan - 31 Dec, 2022)	
② 32 possible issues	Appropriateness review	External ESG specialists review	• Review the frequency and weights of the issues derived from internal and external environmental analysis
③ 10 core issues	Survey	Stakeholder engagement	• Engage with stakeholders to assess ESG concerns and gather opinions
④ Impact analysis	Appropriateness assessment	External ESG specialists assessment	• Analyze the financial and non-financial impact of each issue and its effect on stakeholders using the analytic hierarchy process (AHP)

DOUBLE MATERIALITY ASSESSMENT




Impact Analysis and Task Selection

ESG specialists conducted stakeholder surveys to identify 10 core issues within EcoPro BM. These specialists then analyzed the financial and non-financial impacts, as well as stakeholder influences related to these issues. EcoPro BM used this analysis to establish mid- to long-term ESG goals and core tasks.



ESG CORE TASK ACHIEVEMENT IN 2022

In 2022, EcoPro BM carried out the following activities related to its 3 mid- to long-term goals selected through the double materiality assessments.

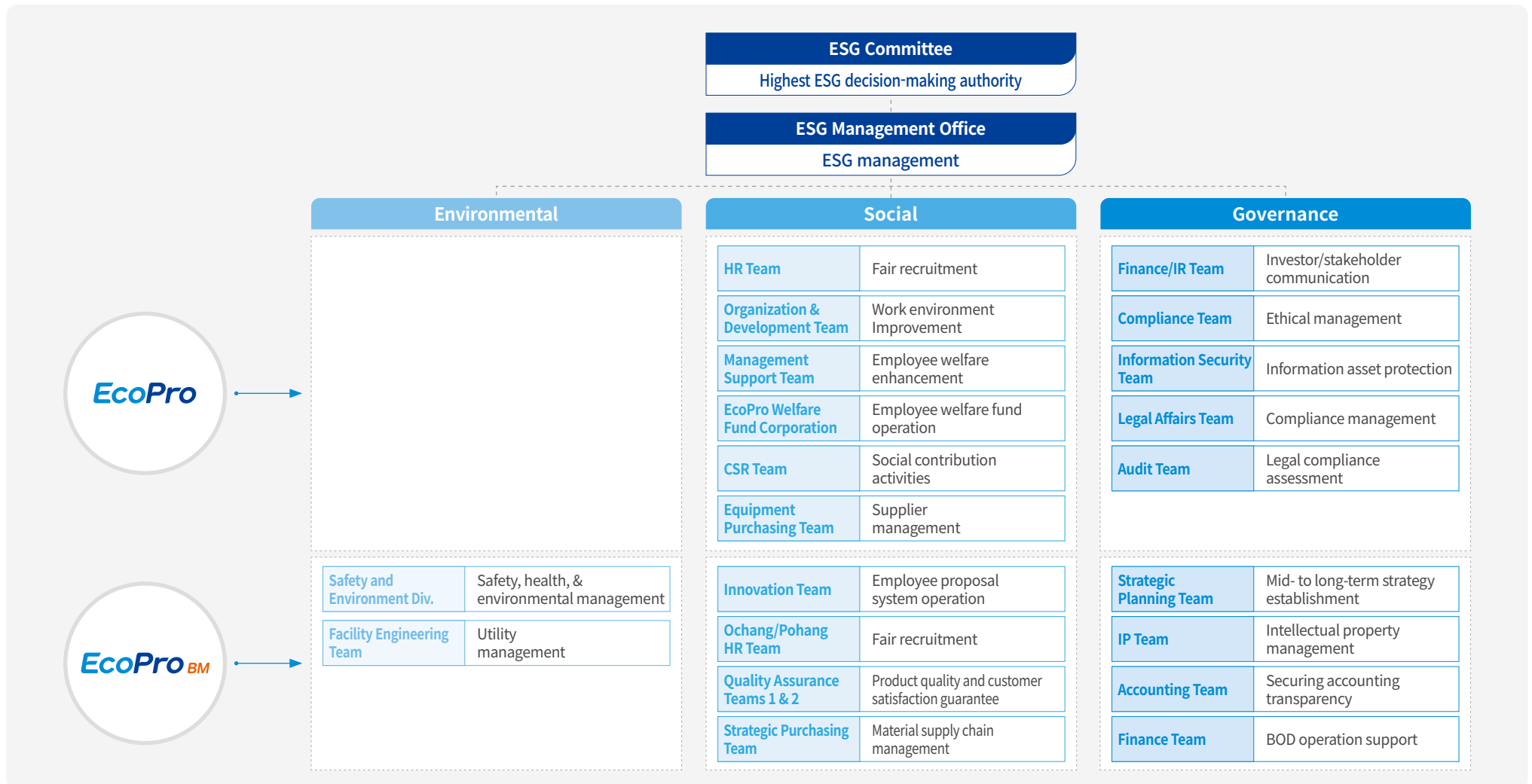
Mid-to Long-Term Goals	Core Tasks	Activities
Eco-friendly management 	Carbon neutral 2050	<ul style="list-style-type: none"> • Certified for carbon footprint by the Carbon Trust; • Signed a power purchase agreement (PPA) for renewable energy (EcoPro BM's Hungary Campus); • Reduced energy consumption through process improvement (1,532,481kwh)
	Improve recyclability	<ul style="list-style-type: none"> • Certified for ISO 14001, which is an international standard for minimizing environmental impact; • Achieved a waste recycling rate of 99.4%; • Certified for RoHS and SVHC* to comply with REACH** standard
Human rights management 	Create a healthy work environment	<ul style="list-style-type: none"> • Certified for ISO 45001, which is an international standard for reducing workplace safety risks; • Operating its Occupational Safety and Health Committee quarterly; • Installed intelligent CCTV and video integration system.
	Responsible supply chain	<ul style="list-style-type: none"> • Established a responsible supply chain policy; • Implemented supply chain human rights impact assessment; • Published the Responsible Minerals Report
Responsible management 	Transparent management	<ul style="list-style-type: none"> • Appointed a majority of independent directors to the board; • Operating Internal Transaction Committee, Compliance Committee, Independent Director Candidate Recommendation Committee, & Audit Committee activities conducted under the Board of Directors; • Received Clean Management Practice Pledges from employees
	Ethical management	<ul style="list-style-type: none"> • Established a compliance organization, and developed regulations, policies & action guidelines; • Implemented compliance education for employees; • Operating an anonymous whistleblower reporting system

* RoHS : Restriction of Hazardous Substances / SVHC : Substances of Very High Concern.

** REACH : Registration, Evaluation, Authorization and Restriction of Chemicals, a European regulation on chemicals.

ESG-CENTERED ORGANIZATION CHART







EcoPro BM is committed to ESG management in collaboration with its affiliates, led by its parent company, EcoPro. The parent company has established an ESG Committee within its board of directors and an ESG Management Office. The ESG Committee is responsible for reviewing and making decisions on ESG initiatives for all affiliates, and the ESG Management Office is responsible for planning and managing ESG activities for all affiliates. EcoPro BM has established roles for ESG management implementation at each department and team level, and is working with its parent company to create synergies in ESG work.



STAKEHOLDER ENGAGEMENT AND COMMUNICATION

EcoPro BM has identified 6 key stakeholder groups: shareholders and investors, customers, communities, suppliers, government, and employees.

Through a variety of communication channels, we actively collect and reflect their concerns and major issues in our overall management, thereby enhancing the value of mutual prosperity.

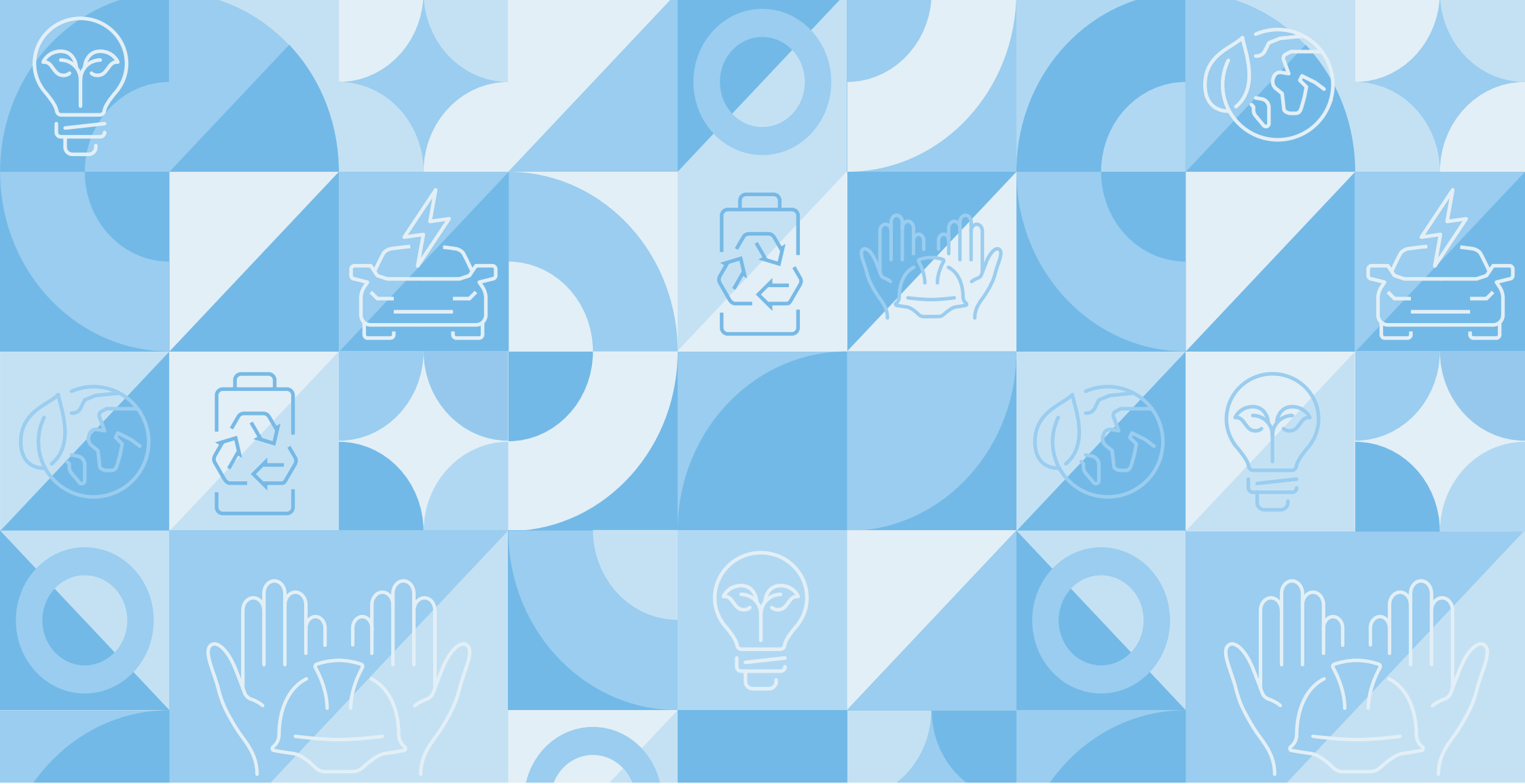
Types of Stakeholders	Points of Interest	Communication Channels		EcoPro BM Approaches
		Individual Channels	Common Channels	
Shareholders & investors 	<ul style="list-style-type: none"> Strengthening financial soundness; Ensuring transparent corporate governance; Providing sustainable management information 	<ul style="list-style-type: none"> Annual general meeting Financial disclosure IR activities 	<ul style="list-style-type: none"> Website Sustainability Report Whistleblowing system 	<ul style="list-style-type: none"> Reporting of business performance through public disclosures; Enhancing mid- to long-term business strategies; Creating future value; Establishing the ESG management system
Employees 	<ul style="list-style-type: none"> Improving organizational culture; Ensuring fair performance appraisal; Ensuring job security; Offering employee benefits and perks Balancing work and personal life Encouraging workers to be healthy 	<ul style="list-style-type: none"> Works Council (named Family Council) Occupational Health & Safety Committee 		<ul style="list-style-type: none"> Operating training programs Managing employee benefits and perks Improving organizational culture Establishing a fair performance appraisals system
Customers 	<ul style="list-style-type: none"> Guaranteeing product quality and customer satisfaction Improving data privacy; Promoting effective communication 	<ul style="list-style-type: none"> Face-to-face / online consultations; Sales/ marketing activities 		<ul style="list-style-type: none"> Collecting and analyzing customer feedback Establishing a customer information privacy system; Conducting customer satisfaction surveys
Communities 	<ul style="list-style-type: none"> Supporting social contributions activities; Promoting disability awareness and job opportunities for all 	<ul style="list-style-type: none"> Social contribution activities Disability sports team operation 		<ul style="list-style-type: none"> Managing social contribution programs; Operating a university student volunteer group(Eco Bridge); Operating Sports Teams for disabilities (Onnuri)
Suppliers 	<ul style="list-style-type: none"> Promoting mutually beneficial partnerships and cooperation Preventing unfair practices and anti-corruption 	<ul style="list-style-type: none"> Supplier workshops Supplier partnership meeting 		<ul style="list-style-type: none"> Providing technical and management support to suppliers Monitoring to prevent unfair practices & corruption
Government 	<ul style="list-style-type: none"> Complying with laws & regulations; Improving tax transparency 	<ul style="list-style-type: none"> Meetings with government agencies Legal System Operation 		<ul style="list-style-type: none"> Communicating with the government & related agencies Operating anti-corruption system



PROGRESS ON ESG

ENVIRONMENTAL
SOCIAL
GOVERNANCE

021
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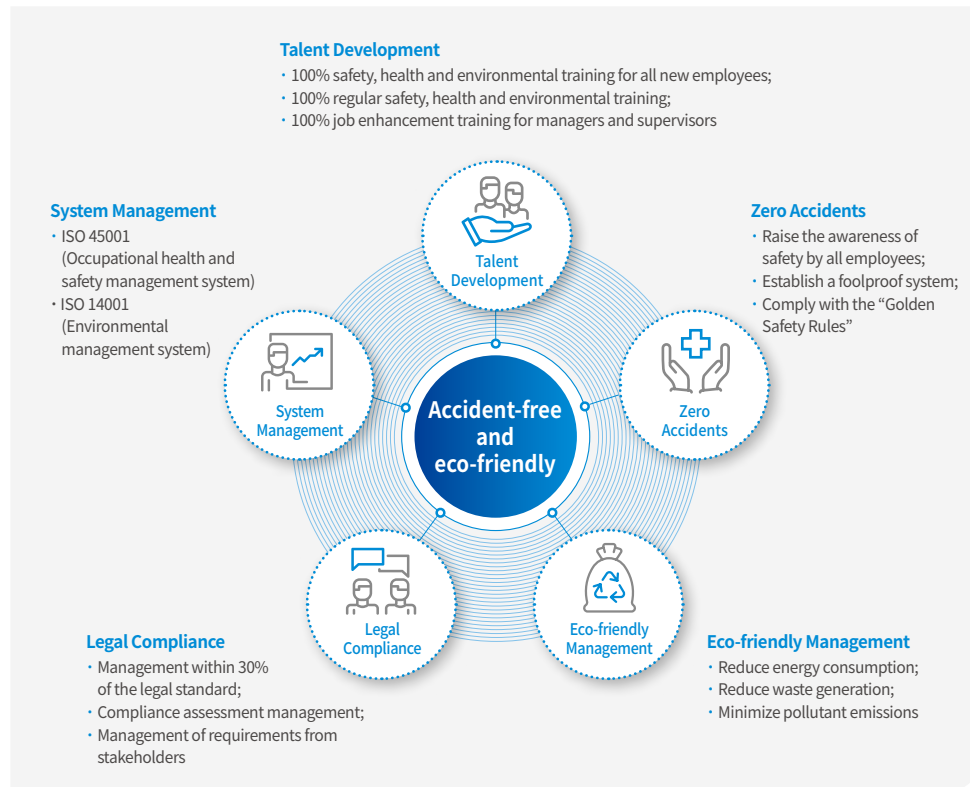
ENVIRONMENTAL

Safety, Health, and Environmental Management	022
Environmental Part	024
Safety & Health Part	029

SAFETY, HEALTH & ENVIRONMENTAL MANAGEMENT

Safety, Health & Environmental Goals

EcoPro BM is committed to creating a safe and healthy workplace and building a sustainable and eco-friendly ecosystem for all our business activities. EcoPro BM has established 5 key tasks to achieve this goal.



Safety, Health, and Environmental Management Policy

Safety, Health, and Environmental Management Policy

At all our business sites, EcoPro BM upholds the CEO's dedication to safety and environmental responsibility. We strive to prevent any safety incidents among our employees and suppliers, ensuring the well-being of both the environment and the local community. We remain committed to implementing the following safety and environmental management policies, managing our business in a sustainable manner. We believe that this commitment will enable us to maintain our reputation as a trusted leader at home and abroad.

- 1 We will prioritize safety, health, and the environment in our management practices.
- 2 We will comply with both domestic and global safety and environmental laws and practice.
- 3 We will set and achieve clear goals for safety and environmental improvement.
- 4 We will invest to prevent workplace accidents and pollution.
- 5 We will proactively manage risks through safety, health, and eco-friendly activities.
- 6 We will promote environmental protection and collaborate with local communities.
- 7 We will fulfill our social responsibilities through stakeholder engagement.

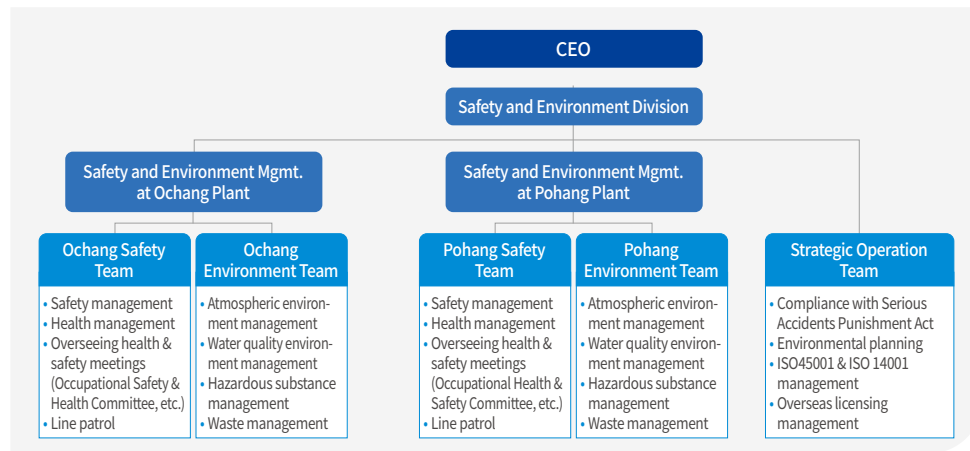
The executives and employees are fully understanding the policy and abide by them in practice without fail to ensure an accidentfree and eco-friendly workplace in the course of business.

CEO of EcoPro BM Co., Ltd. **Joo Jae-hwan**

SAFETY, HEALTH & ENVIRONMENTAL MANAGEMENT

Safety, Health & Environmental Management Organization

The Safety and Environment Division at EcoPro BM is responsible for implementing the company's safety, health and Environmental policies. As such, it is committed to promoting and internalizing the values of safety, health, and environmental protection held by EcoPro BM in all areas of business activities.



Integrated Certification for Safety, Health, and Environment

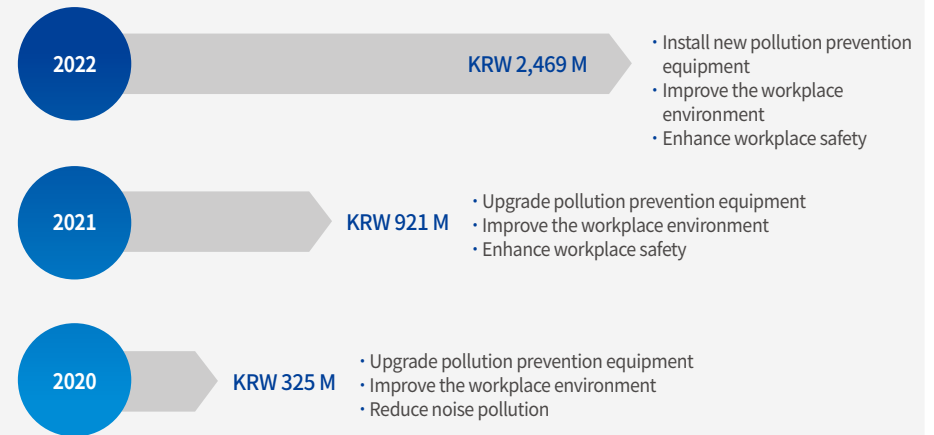
EcoPro BM is certified to ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health & Safety Management System), two international standards. We have maintained these certifications since we first achieved them.



Safety, Health & Environmental Investment Status

EcoPro BM is committed to reducing our environmental footprint and ensuring a safe workplace. We invest in pollution prevention equipment and enhance the overall work environment every year.

Annual Investment



Investment Amount per Year

(Unit: KRW M)

Investment amount	Safety, Health	Environmental	Total
2020	50	275	325
2021	721	200	921
2022	232	2,238	2,469
Total	1,002	2,713	3,715

ENVIRONMENTAL PART



Climate Change Action

EcoPro BM has established and strengthened its strategy for responding to climate change in the 4 key areas of corporate governance, strategy, risk management, and indicators and reduction targets. In this way, we are minimizing the damages caused by climate change by predicting and managing climate change risks and opportunities, as well as transparently disclosing the related measures every year.

Corporate Governance

EcoPro BM has established the ESG Committee under the Board of Directors (BOD) to respond to mid- to long-term climate change risks systematically and discuss integrated measures from enterprise-wide perspectives. The committee consists of 3 independent directors, 1 executive director, and an ESG expert who serves as the chairperson. It manages risks that could cause human, material, economic, or environmental losses to the overall business, such as climate change. Additionally, it responds promptly and effectively to crises.

Strategy

EcoPro BM is analyzing the factors that cause climate change risks and their impact on our business. We are implementing a response strategy to mitigate climate change risks. In the future, we will quantitatively assess the impact of climate change and consider its financial implications.

Climate Change Risks and Impacts

Types		Risk Factor
Transformation risk	Regulation	<ul style="list-style-type: none"> Increase in the cost of purchasing the carbon credit Investment in low-carbon facilities and infrastructure to comply with existing product & service regulations
	Technology	<ul style="list-style-type: none"> Investment in renewable energy facilities
	Market	<ul style="list-style-type: none"> Decrease profitability due to rising service costs
	Reputation	<ul style="list-style-type: none"> Interest in greenhouse gas emissions from customers, investors, and stakeholders
Physical risk	Acute	<ul style="list-style-type: none"> Recovery costs for equipment damage due to climate-related disasters
	Chronic	<ul style="list-style-type: none"> Increase facility operating costs due to rising average temperatures

Climate Change Opportunities and Impacts

Types	Opportunity Factor
Opportunity	<ul style="list-style-type: none"> Reduction in energy costs through the use of renewable energy; Revenue generation from participation in the carbon market
Technology	<ul style="list-style-type: none"> Development and expansion of green products & services to respond to increased demand for ecofriendly vehicles
Market	<ul style="list-style-type: none"> Expansion of new businesses such as green products
Reputation	<ul style="list-style-type: none"> Enhancement of corporate reputation through a proactive response

Risk Management

EcoPro BM focuses on minimizing losses in both financial and non-financial performance areas with our overall risk response policy. Our BOD is responsible for deliberating on and approving the risk management regulations and policies. The department in charge is then responsible for carrying out the final risk management plan according to the BOD-approved policy.

Goals and Indicators

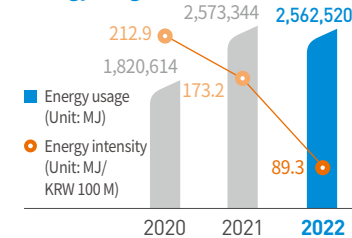
EcoPro BM is developing and managing climate change response strategies to efficiently achieve GHG emissions and energy reduction targets under the Framework Act on Low Carbon, Green Growth. We have also set key management indicators and are transparently disclosing them through the Environmental Information Disclosure System (www.env-info.kr).

■ Goal

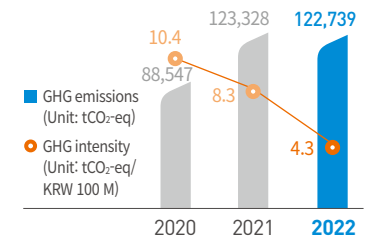
- 2035**
Reduce CO₂ emissions by 50% (Compared to 2018).
- 2050**
Achieve carbon neutrality.

■ Indicators

Energy usage



GHG emissions



* 16% of total production was outsourced in 2022

※ Intensity: Energy usage and GHG emissions per KRW 100 M in sales

ENVIRONMENTAL PART



Environmental Friendly Management

Energy Management

Efforts to Reduce Energy Consumption

2020	Energy Source	Unit	Reduction
Changing the air conditioning method utilizing outside air of the rotary kiln	Electricity	kWh	873,898
Operating the air conditioning dehumidifier flexibly	Electricity	kWh	1,246,384
Introducing stair lights motion sensor	Electricity	kWh	17,142
Controlling the air conditioning system centrally	Electricity	kWh	203,213
Minimizing caustic soda in summer and supplying hot water to the distilled water tank	LNG	m ³	12,323
2021			
Improving the compressor operation rate	Electricity	kWh	210,619
2022			
Increasing supply water efficiency by improving additives	Electricity	kWh	42,185
Simplifying the production process	Electricity	kWh	1,423,756
Changing to the reverse osmosis supply method	Electricity	kWh	35,040
Improving the power factor (86% → 90% or more)	Electricity	kWh	31,500

GHG Management

Efforts to Reduce GHG

2020	Energy Source	Unit	Reduction
Participation in the electricity Demand Response Market	Electricity	tCO ₂ -eq	3
2021			
Participation in the electricity Demand Response Market	Electricity	tCO ₂ -eq	34
2022			
Participation in the electricity Demand Response Market	Electricity	tCO ₂ -eq	154
Participation in the LNG Demand Response Market	LNG	tCO ₂ -eq	167

New & Renewable Energy in the Hungary Campus

As EcoPro BM enters the international market, we intend to adopt renewable energy sources. Our Hungary Campus is seeking advice on a "renewable energy power purchase agreement" from Schneider Electric, a global renewable energy consulting company. We are working to secure a renewable energy source in time for the plant to start operations.

* Power purchase agreement (PPA): A contract between the buyer and the renewable energy developer to supply and purchase electricity at a fixed price for a specific period of time.



Transformation to Green Building

EcoPro BM is transitioning to green building practices by using eco-friendly certified insulation materials and LED lighting in our construction projects. Additionally, we are dedicated to eco-friendly activities throughout our business, such as efficient energy use and minimizing greenhouse gas emissions.

ENVIRONMENTAL PART



Water Management

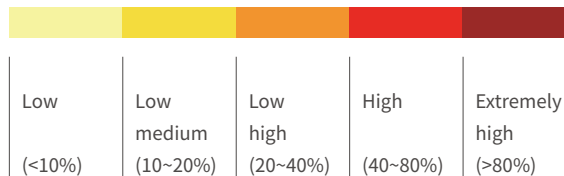
EcoPro BM is saving water by analyzing water usage data to identify and implement improvement opportunities. We promote water conservation by sharing information about water-stressed areas at each of our business sites with stakeholders. We also engage employees in water-saving efforts through various campaigns and programs.

※ Status of water stress at each site



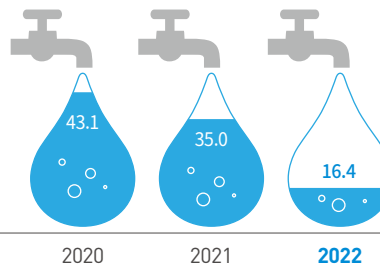
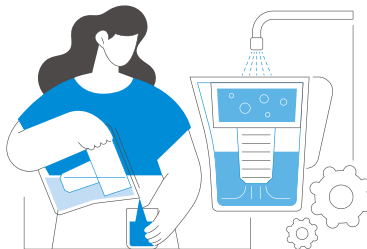
Business Site	Water Stress
Pohang	High
Cheongju	Extremely high

Water Stress



Water Intensity

(Unit: tons/KRW 100 M)



※ Intensity: Water use per KRW 100 million in sales
 ※ 16% of total production was outsourced in 2022

Wastewater Reduction Activities

EcoPro BM is committed to creating a clean and safe ecosystem for the local community. We have invested 26.8 billion won in related facility improvements, including the installation of MVR¹⁾ facilities and the application of RO²⁾ to improve wastewater treatment processes. At the Ochang and Pohang plants, EcoPro BM strictly manages the discharge of regulated substances, such as BOD, TOC, SS, T-N, and T-P, at 30% or less of the discharge permit standards.

1) MVR (mechanical vapor recompression) facility heats wastewater to recycle water vapors into water and collects valuable metals from concentrates through a recycling process.

2) RO (reverse osmosis) installs a filter in the wastewater and collects reusable water based on the osmotic pressure principle.

Pollution Control at the Ochang Plant

(As of 2022)

Types	Unit	Emission Permissible Discharge Limits	Emission concentration	Compared to Discharge Limits
BOD	ppm	100	0.8	1%
TOC	ppm	60	3.0	5%
SS	ppm	100	6.3	6%
T-N	ppm	-	3.9	-
T-P	ppm	-	0.2	-

※ The influent water quality standard for the Wastewater Treatment Plant of the Ochang Industrial Complex (There is no allowable discharge standard for T-N/T-P.)

Pollution Control at the Pohang Plant

(As of 2022)

Types	Unit	Emission Permissible Discharge Limits	Emission concentration	Compared to Discharge Limits
BOD	ppm	10	2.7	27%
TOC	ppm	25	3.3	13%
SS	ppm	10	3.0	30%
T-N	ppm	20	3.7	19%
T-P	ppm	2	0.2	11%

※ The effluent water quality standard for the Pohang Public Sewage Treatment Facility

※ Emission control substances

- BOD: Biochemical oxygen demand
 - TOC: Total organic carbon

- SS: Suspended solids
 - T-N: Total nitrogen

- T-P: Total phosphorus

ENVIRONMENTAL PART



Waste Management

EcoPro BM classifies waste as hazardous and non-hazardous waste in accordance with environmental regulations. We manage waste to make it easier to recycle. We outsource the treatment of waste to specialized companies. In addition to recycling, EcoPro BM is also working to reduce waste generation and minimize its environmental impact.

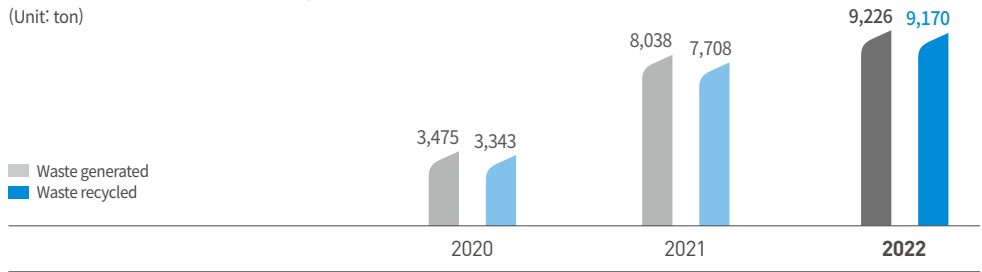
Status of waste recycling

99.4%

Expansion of eco-friendliness through recycling

Waste Generation and Recycling

(Unit: ton)



Environmental Impact Management

EcoPro BM's Ochang and Pohang plants are located in government-developed industrial complexes and operate in compliance with relevant laws and regulations. We transparently disclose our environmental performance through the Environmental Information Disclosure System(www.env-info.kr). It also proactively identifies the potential impact of waste on the environment and monitors recycling rates. In addition, EcoPro BM communicates with stakeholders to minimize environmental impact by notifying the local community of potential chemical accidents.

Biodiversity

EcoPro BM engages in active participation for the conservation of biodiversity. In particular, with an awareness of the need to preserve biodiversity for sustainable development, we are devoting efforts to deter the loss of natural habitats, preserve genetic diversity, promote sustainable agriculture, manage aquaculture areas and forests, promote the sustainable management of fishery resources, and carry out diverse efforts to achieve these goals. To this end, we identify the status of endangered wildlife species around our business sites and pay close attention to ensuring that the habitats of these protected species are not destroyed.

Type	Cheongju	Pohang
Endangered wildlife Class I	Otter	Otter Korean Stumpy Bullhead Triton shell
Endangered wildlife Class II	Cigaritis takanonis Long-billed ringed plover Seoul frog Boreal digging frog	Prickly waterlily Glaux maritima var. obtusifolia Fernald

Carbon Footprint Certification

Carbon footprint refers to the carbon dioxide emissions produced during the manufacturing, transportation, and disposal of a consumer product. A carbon footprint label discloses the amount of greenhouse gases emitted throughout a product's lifecycle, converted into carbon dioxide equivalents. We have obtained the Carbon Footprint Label from the Carbon Trust for our main products, demonstrating our commitment to environmental responsibility and eco-friendly management across all our business processes.



ENVIRONMENTAL PART



Environmental Protection Activities



Environmental cleanup activities in Pohang



Environmental cleanup activities in Pohang



Volunteer activities for "Future Afforestation" in Pohang



"Future Afforestation" planting event in Pohang



Carbon Neutral Campaign



Good Cycling poster



Creation of Hydrangea garden in Ochang



Donation and tree-planting event in Ochang



Donation and tree-planting event in Ochang



Donation and tree-planting event in Ochang



Environmental cleanup activities in Ochang



Spring environmental cleanup activities



SAFETY & HEALTH PART



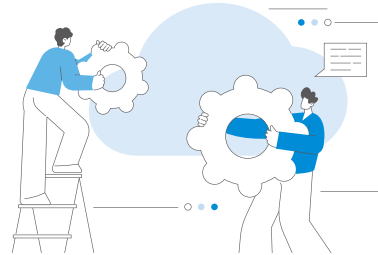
Safety & Health Strategy

Goal

- Achieve a Zero-Accident Workplace
(Stay Accident Free Every Day)

Programs

- "Safety First, Work Second" culture creation
- Employees' safety awareness enhancement
- Digital system for safety enhancement development
- Self-diagnosis and management system upgrade



Health & Safety Activities

Programs	Description of activities
Safety first, Work second	<ul style="list-style-type: none"> • Requirement for permit-to-work and lockout/tagout (LOTO) procedures for irregular work • Enhanced implementation of the Golden Safety Rules (5 compliance items and 5 prohibition items) • Monthly themed inspections of 7 safety-accident items
Safety awareness enhancement	<ul style="list-style-type: none"> • VR-based hands-on training for all employees • EcoPro-customized training for managers & supervisors; • Mitigation of high-risk factors through employee-participatory risk assessments
Digital system development	<ul style="list-style-type: none"> • Deployment of intelligent CCTV and video integration system • Digitalization of safe work management
System upgrade	<ul style="list-style-type: none"> • Strengthening of semi-annual safety evaluation criteria • Enhancement of occupational safety & health management (ISO 45001)

7 Safety Accident Items

We have narrowed down our focus to 7 out of the 12 items designated for intensive management by the Ministry of Employment and Labor.

- ① Rotating body (Mixer), ② Grinder/ crusher, ③ Industrial robot, ④ Forklift, ⑤ Crane, ⑥ Conveyor, and ⑦ Cargo transport truck

Intelligent CCTVs & Video Integration System

We have installed intelligent CCTVs and introduced a constant monitoring system in accident-prone areas that are vulnerable to fires and explosions, or the areas where good control and supervision are difficult. A system has already been installed and operated in the Pohang site, and the Ochang site is scheduled to have the system installed.

Accident Prevention Activities

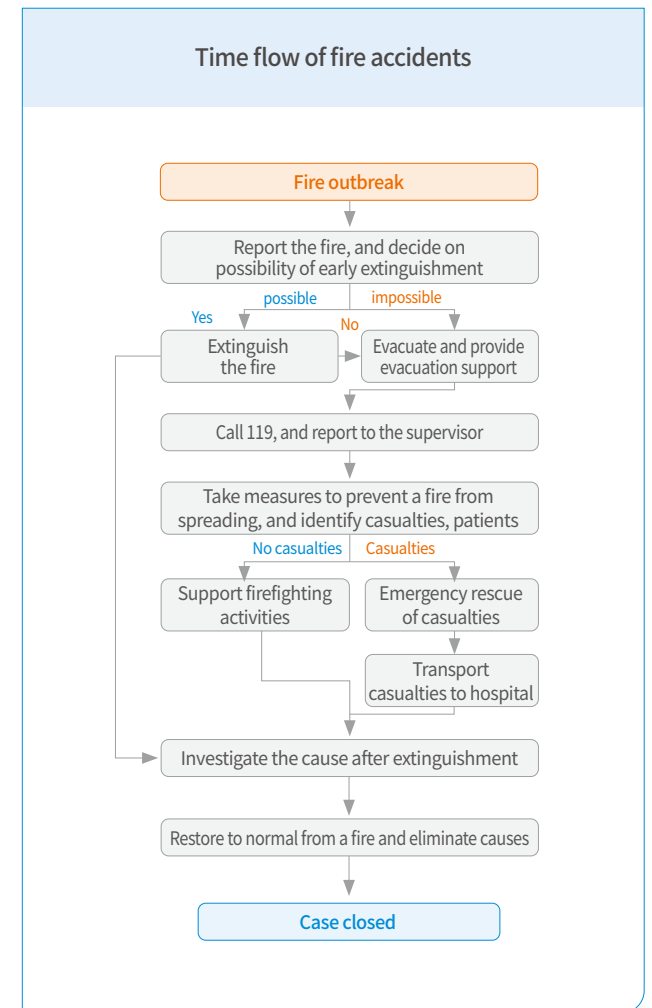
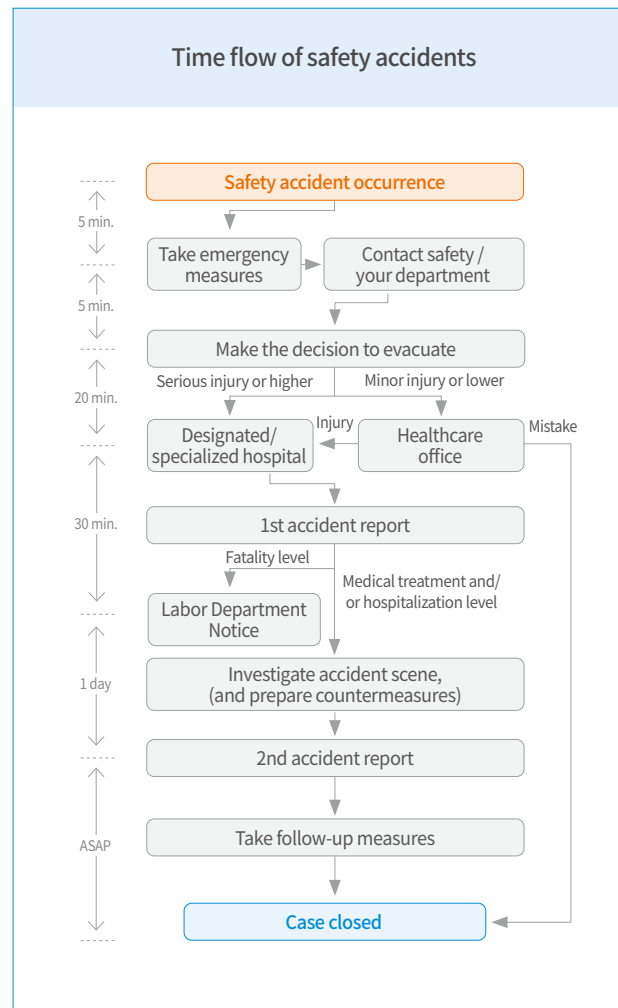
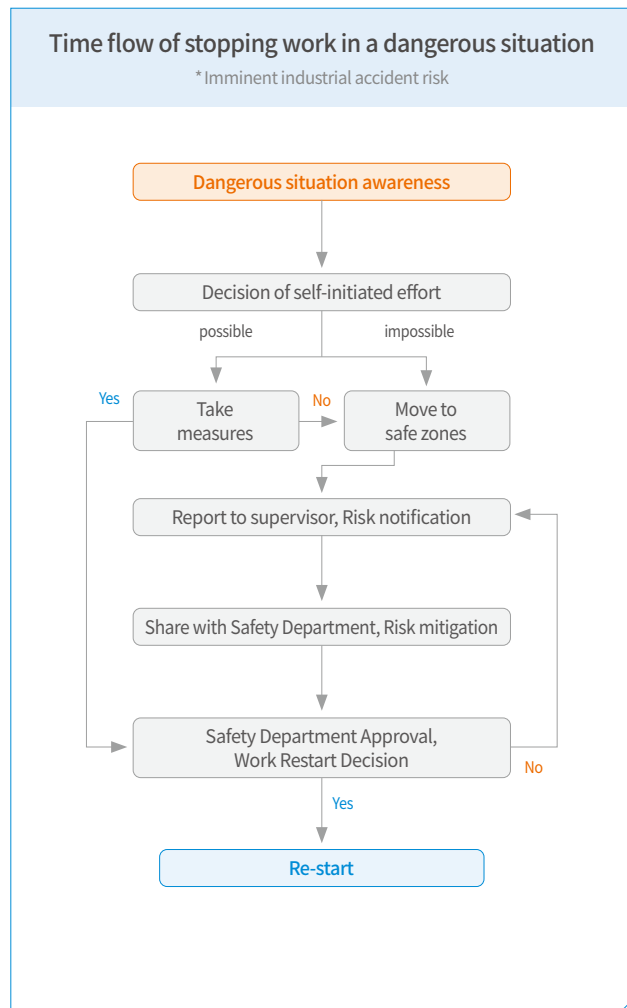
Types	Description of activities
Legal activities	<ol style="list-style-type: none"> 1. Investigation of safety accident causes and establishment of recurrence prevention measures and plans 2. Operation of the Safety and Health Consultative Group (Occupational Safety and Health Committee and the Contractors Council) 3. Supplementation of measures, such as changes to safety and health management regulations in response to changes in laws 4. Guidance and management of hazardous and dangerous work permission procedures and checklists before work 5. Workplace environment inspection and improvement, including workplace environment inspections and measurements 6. Worker health management, including worker health checkups 7. Conformity checks for safety devices and protective gear related to safety and health 8. Other measures for protecting workers from harms and dangers
Voluntary activities	<ol style="list-style-type: none"> 1. Benchmarking against companies with excellent industrial safety and disaster management practices 2. Collection of safety accident cases in the same industry and management of planning and inspection of similar items 3. Continuous improvement management through the implementation of the safety management P-D-C-A cycle

SAFETY & HEALTH PART



Safety, Health & Fire Emergency Response System

EcoPro BM has introduced and operates an emergency response system, including generating response scenarios for each type of incident, to minimize the damage in the event of an accident.



SAFETY & HEALTH PART



Health & Safety Activities and Achievements

EcoPro BM engages in safety and health management practices by implementing a safety and health management system. Our approach involves taking preventive steps and measures and identifying improvement opportunities based on systematic monitoring (management/supervision) with the aim of minimizing safety and health risks to be reflected in our policies and goals and making continuous improvements.

Activities in 2022

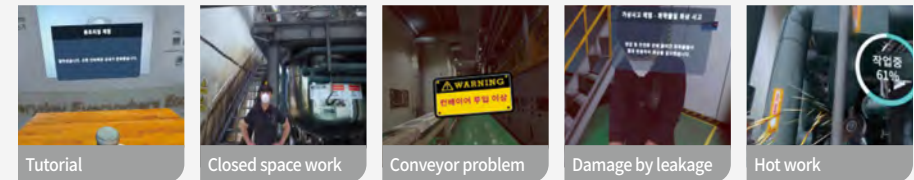
Types	Description of activities
Strengthen education & training	<ul style="list-style-type: none"> Worker-participating safety training & training <ul style="list-style-type: none"> - Reinforcement of safety training on recruiting new employees to strengthen their awareness of safety issues (8→16 hours); - Onsite safety training by the safety manager (monthly); - Practice training in onsite accident situations (monthly); - Training based on participatory role play and mock scenarios with professional theater groups (December)
Select and apply the Golden Safety Rules	<ul style="list-style-type: none"> Prevention of 10 risk factors of potential disasters <ul style="list-style-type: none"> * 5 compliance items: wearing of protective gear, compliance with permission procedures, LOTO, etc. * 5 prohibited items: deactivation of safety devices, use of mobile phones while working, etc.
Conduct self-initiated safety diagnosis of all business sites	<ul style="list-style-type: none"> Creation of safe workplaces <ul style="list-style-type: none"> - Safety diagnosis by a specialized institution (Industry Safety Inspection Association) * A total of 241 improvements (127 in Ochang & 114 in Pohang)
An organization dedicated to legal compliance and semi-annual safety assessments	<ul style="list-style-type: none"> Compliance with the Serious Accidents Punishment Act; <ul style="list-style-type: none"> - First half: June 8 – 24, 2022: identification & improvement (151 cases); - Second half: Nov. 16 – 23, 2022: identification & improvement (294 cases)
Storm & flood forecast and preparation for damages	<ul style="list-style-type: none"> Preventive activities against wind & water disasters in summer; <ul style="list-style-type: none"> - Exposed to 4 typhoon movement paths in the Pohang region.

Safety Education

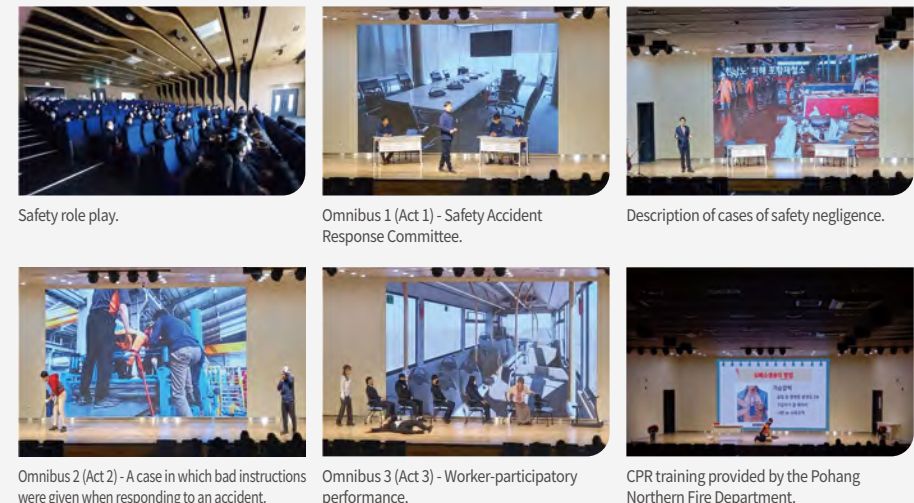
EcoPro BM regularly conducts safety training to achieve a zero-accident workplace. We focus on training on accident types that are most likely to occur. We also diversify the methods of monthly training to increase employee participation and concentration in training.

	Types	Unit	2020	2021	2022
Safety training performance	Total hours of training	Hour	33,150	48,466	57,193
	Total number of trainees(cumulative)	Person	12,221	15,791	17,875
	No. of hours of training per employee	Hour/person	36	42	44

※ VR (virtual reality) experience training for each major accident



※ Safety accident prevention training through participatory role play with mock scenarios



SAFETY & HEALTH PART



Application of Golden Safety Rules

More than 90% of safety accidents occur due to negligence, such as simple unsafe behavior. EcoPro BM has analyzed 10 patterns of unsafe behavior, and prepared and implemented the Golden Safety Rules.

EcoPro's Golden Safety Rules

[5 compliance items]

Wearing protective safety gear

Complying with safe work permission

Conducting thorough LOTO during maintenance

Measuring gas concentration when working in a sealed area

Reporting an accident immediately

[5 prohibited items]

Use of cell phones while walking or working

Deactivation of a safety device

Arbitrary contact with equipment

Rushing at fast pace/ speeding in a workplace

Smoking (except in designated areas)

Safety Inspections at Every Workplace

EcoPro BM conducted a safety inspection in cooperation with the Industry Safety Inspection Association, an outside expert group. As a result, we found 241 risk factors and improved them.

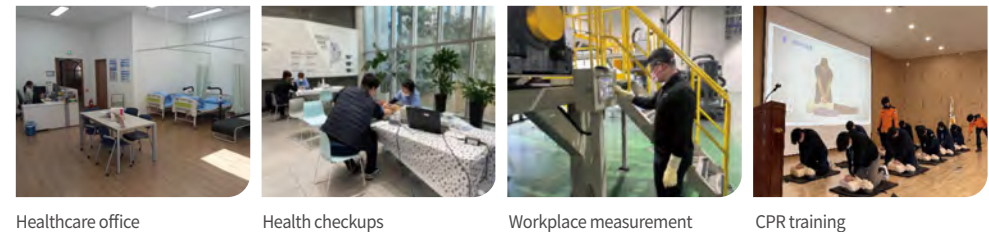


Occupational Safety & Health Committee

EcoPro BM holds quarterly occupational safety and health committee meetings. At these meetings, representatives from the employer side, including safety and health managers, safety and environmental directors, safety officers, and health officers, participate. Representatives from the employee side, including the employee representative, honorary occupational safety inspectors, and supervisors, also participate. Together, labor and management review safety and health issues for employees and implement agreed-upon actions.

Promote Worker Health in the Workplace

EcoPro BM is committed to creating a safe and healthy workplace for our employees. We provide a range of safety training programs and campaigns, along with health support services. These include health screenings for all employees, surveys on musculoskeletal hazards, and stress management. We also provide follow-up care for employees who may need additional health support.



Status of Industrial Accidents

Types		Unit	2020	2021	2022
Accident rate		%	0.24	0.18	0.62
Number of casualties	Injured	Persons	2	2	7
	Deaths	Persons	0	0	1
Lost time injury frequency rate (LTIFR)		Rate	0.90	0.72	2.54

* LIFTR (lost time injury frequency rate) = (No. of casualties) * (Million hours/total hours worked)



SOCIAL

Accompanying Our Employees	034
Responsible Supply Chain Management	043
Shared Growth	045
Customer Satisfaction Management	046
Mutual Benefit with Communities	048

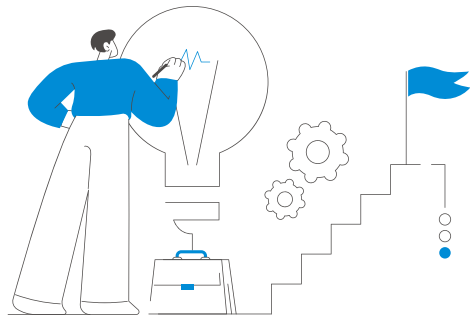
ACCOMPANYING OUR EMPLOYEES



EcoPro BM's Core Value

EcoPro BM is committed to sustainable growth by actively recruiting talented people who embody our core values: challenge-taking, trust, change, and innovation. In order to lead the world and prepare for the future, we need talent with specialized skills and knowledge.

We are strengthening our applicant screening process to ensure that we identify and recruit the best talent for each position. We are also building a talent pool and conducting continuous recruitment to ensure that we have a steady supply of qualified candidates.



Core Value

 <p>Challenge-taking</p> <p>Talents who actively strive to achieve challenging goals to the best of their ability.</p>	 <p>Trust</p> <p>Talents who fulfill their roles with an attitude of mutual respect and consideration to the best of their ability.</p>	 <p>Change and innovation</p> <p>Talents who embrace changes and innovation for constant growth to the best of their ability.</p>
<p>Challenging goal settings Risk tolerance Driving force Confidence Achievement orientation</p>	<p>Sense of ownership Compliance with core principles Leading by example/ proactive attitude Customer orientation/ formation of business network</p>	<p>Creative thinking Innovative thinking/future orientation Ability to adapt to change (flexibility/applicability) Commitment to improvement</p>

ACCOMPANYING OUR EMPLOYEES



Diverse Workforce

EcoPro BM values diversity and inclusion in our workplace. We strive to provide equal opportunities for all employees, regardless of their gender, age, social status, marital status, physical abilities, or any other background. We build teams around talented professionals, and we compensate our employees fairly and competitively based on their accomplishments, as global talent.

Fair Recruitment

EcoPro BM recruits talented professionals with the credentials and qualifications for each job through a transparent and systematic 4 stage process: document screening, aptitude test, initial job interview, and second job interview with management. We also use a Fair Hiring Procedure Act-compliant recruitment system to ensure a fair and discrimination-free process.

Recruitment Procedure



Diversity-Inclusive Recruitment

EcoPro BM believes that a culture of respect for diversity is essential for corporate innovation and growth. We comply with all applicable laws related to diversity, such as the Act on Support for Persons Eligible for Veteran's Compensation and the Act on Welfare of Persons with Disabilities. We do not discriminate on the basis of gender, religion, disability, or any other background. We recruit diverse talents and are actively working to increase the ratio of female workers and managers to over 70% of the industry average through the Korea Labor and Employment Service's active improvement of employment project. We also create a culture where all employees feel welcome and supported, and where they can reach their full potential.

Key Responsibilities

We have a job interview section on our recruitment website and 'Eco Media' YouTube channel where applicants can learn about our recruitment process and job duties, and stay up-to-date with the latest news through employee interviews.



Quality Assurance Team,
Kim So-jin,
Senior Manager



NCA Material Development Team,
Cheon You-kyung,
Senior Manager



Management Support Team,
Lee Sang-hun,
Staff



Fundamental Technology Team,
Cho Min-su,
Staff



Lithium Processing Team,
Jeon Seung-hyeon,
Principal Manager



Advanced Development Team,
Jeong Hyeon-su,
Principal Manager



Development Team,
Son Eun-jin,
Senior Manager



HR Team,
Kim Seong-geum,
Staff

ACCOMPANYING OUR EMPLOYEES

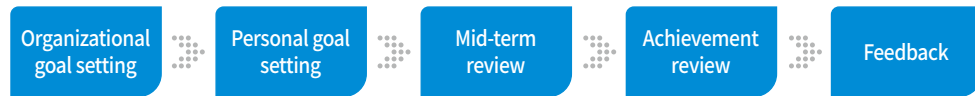


Fair Performance Management

EcoPro BM appraises all employees fairly and without discrimination through our performance-based system and maintain a fair compensation structure. We offer a systematic and fair performance appraisal process, with individual self-assessments and 4 rounds of performance review and feedback. Also, we provide competitive salaries and a compensation package based on the appraisal results, such as merit-based incentives and wage increases.

Appraisal System

EcoPro BM provides reasonable compensation and motivation under a fair evaluation system. The system diagnoses an evaluatee's strengths and areas for improvement from various perspectives through interviews and feedback between the evaluators and evaluatees.



Special Compensation

EcoPro BM strives to motivate our employees by preparing a compensation system, in addition to merit-based incentives and wage increases linked to generating company profits and financial performance. We hold an annual innovation contest to identify the practices that are worth sharing, and present special awards to the standout awardees. We recognize our employees' hard work with stock options, special recognition, and overseas training programs available to all employees.

Special Compensation



ACCOMPANYING OUR EMPLOYEES



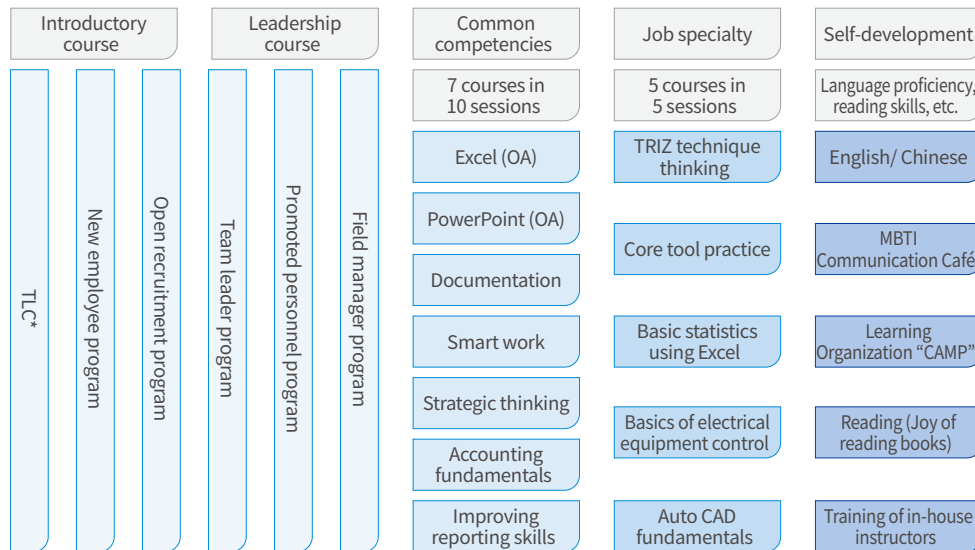
Talent Development System

EcoPro BM has developed a strategic system to nurture talent aligned with the needs of both jobs and organizations, and to give our employees global competence. We also support a wide range of self-development programs to help each employee reach their full potential.

Direction of Talent Development



Talent Development Management



* TLC : Technical Learning Center

Achievements of Talent Development Program

EcoPro BM operates programs that help talent develop the skills and knowledge that all our employees need to succeed in their assigned jobs.

Programs	Results	Performance
Core values and corporate culture in practice	Activities aimed at revitalizing core value; 11 activities	<ul style="list-style-type: none"> Improvement of the corporate culture; Improvement of employees' ability to adapt to the organization
Job specialist course	7 courses were run for 186 people in 2022; Average satisfaction score: 4.4 of 5	<ul style="list-style-type: none"> Core professional technical competencies for each job function
Common competency course	8 courses were run for 270 people in 2022; Average satisfaction score: 4.6 of 5	<ul style="list-style-type: none"> Practical capacity building
Leadership course	3 courses were run in 2022; 87% attendance in 2022	<ul style="list-style-type: none"> Leadership cultivation according to role; Improvement of the organizational leadership culture

ACCOMPANYING OUR EMPLOYEES



TLC Program

The TLC* program is designed to proactively develop the skills and knowledge our employees, ensuring that they have the skills and knowledge necessary to support the expansion into overseas markets and the establishment of new factory lines. The 12-week program comprises a 3-week common course and an intensive 9-week course of education. It began with 37 participants in 2022, followed by 57 people in the second term and 51 in the third term. Working-level staff give in-depth lectures on overall work and departmental tasks, ensuring that trainees have a deep understanding and are highly satisfied. We plan to strengthen the course continuously as EcoPro Group’s business expands globally.

* TLC: Technical Learning Center

Support programs for retired employees

EcoPro BM has established a common welfare fund and designed a retirement pension system utilizing the fund. We create a culture where employees can focus on their work by celebrating their long-term dedication and relieving their concerns about aging even after retirement.

Self-Development Program

EcoPro BM offers training programs to help all employees improve their relevant job skills and develop themselves. We provide our employees with in-house courses, internal and external language lectures, online training, job-related degree courses, and seminars, and require them to complete at least 20 hours of training per year. We also offer incentive programs, such as monetary bonuses, to employees who obtain credentials and certifications related to their jobs in areas such as development/quality, production/equipment/infrastructure, environment, and safety. We evaluate each employee’s management by objectives (MBO) by considering their self-development time and simplified the self-development process to encourage and increase employee participation.

Female talent development and environmental improvement

We have systems in place to support female employees and create a better workplace. We nurture female talents by appointing female managers (team leaders) and appointing female members to the "Family Council (Labor-Management Council)". Also, we operate workplace daycare centers, and encourage parental leave for family-work balance. Meanwhile, We actively recruit female employees and increase the number of female managers through consulting provided by the Affirmative Action program of the Korea Labor & Employment Service under the Ministry of Employment & Labor.

ACCOMPANYING OUR EMPLOYEES

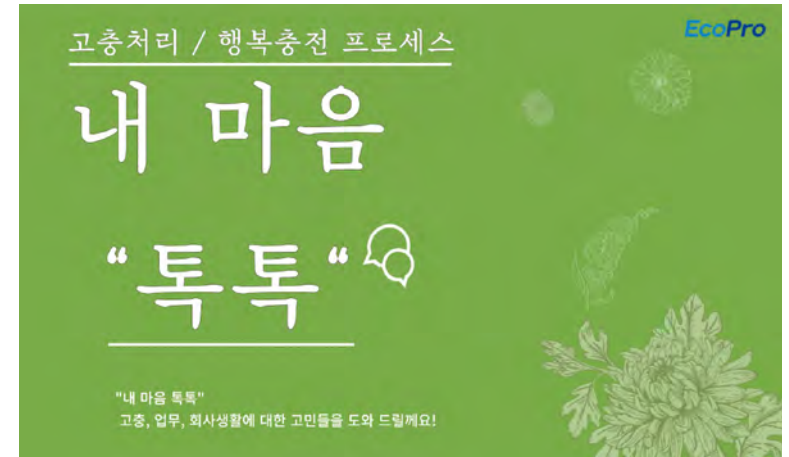


Work-Life Balance

EcoPro BM operates various welfare programs to improve employees' quality of life, work-life balance and job satisfaction. In addition to work, we support a positive work environment by providing counseling services for employees' physical and mental well-being.







Employee Welfare Fund

EcoPro BM manages the EcoPro Group Welfare Fund to promote benefits for the employees. The EcoPro Welfare Fund supports school expenses, medical expense support, welfare benefit points, and health checkups.



EcoPro Pension in Jeju Island

EcoPro BM's Employee Benefits and Perks

 Housing subsidy	 Support for children's education	 Daycare center	 Congratulation & condolence fund	 Medical expenses
 Healthcare program	 Leisure support	 Club support	 Welfare points	 Anniversary celebrations

ACCOMPANYING OUR EMPLOYEES



Creative Innovation Activities

EcoPro BM is striving to create a corporate culture that encourages employees to engage in creative innovation and to propose new ideas freely. We operate a 'suggestion system' where anyone can suggest ideas on various subjects, including R&D and corporate culture. We encourage the active participation of all employees by compensating them for their innovative contributions.

Suggestion System

To encourage employees to take on challenges and create a company-wide culture of improvement, EcoPro BM maintains a suggestion system that enables employees to submit and see their ideas implemented through a website where they can submit and track their suggestions. Over the past 3 years, we have received an average of 170 suggestions per year, and we have adopted and implemented an average of 70 of those suggestions per year across the company.

Innovation Contest

EcoPro BM hosts an annual innovation contest to encourage our employees to be creative and innovative. We present innovation cases from all departments, including development, manufacturing, and administrative support. In 2022, we received 47 proposals, of which 16 were selected for the final presentation competition after a preliminary round.

Contents with awards given in 2022

- Development sector : Developed NCA cathode materials using monocrystalline materials
- Manufacturing & Administrative : Improved outsourcing productivity



Suggestion System Process



ACCOMPANYING OUR EMPLOYEES



Organizational Development Activities

EcoPro BM is committed to improving our corporate culture and making it more flexible, so that our employees feel included and can focus on their work. Also, we are creating a communicative culture centered on selfless gratitude and individual respect by conducting activities for our members to participate and encourage each other.

Recognition and Appreciation Event

Our Recognition and Appreciation Event is held twice a year to celebrate employees who exemplify the announced theme. At the recent event, "Recognition for Hardworking Colleagues" approximately 500 employees participated and 300 prizes were presented, including 150 prizes to those who offered their praise and 150 prizes to those who received it. The highlighted keywords underscoring the event were "together", "first", "solution", "heart", "role model", and "smile", and the recognition results of the event were announced, providing an opportunity to reflect on the importance of building trusting relationships among colleagues.

Video-Based Communication

EcoPro BM produces videos on our management policies and major issues to communicate with employees. We use communication monitors installed in various locations such as cafeteria to share these videos, effectively communicating the company's management strategy to all employees in a way that is easy to understand.

'TRUST', the Communication Messenger

Trust, a groupware communication messenger application, is a message-forwarding system developed in 2020 to build a culture of mutual trust between employees. More than 1,000 "trusts" (messages), such as congratulatory messages for a colleague's birthday or marriage or show of gratitude to a colleague who has worked hard, are exchanged each year. Points are awarded to employees who offer praise to colleagues or receive them, and certain prizes are presented to those who have accumulated many points.

Overseas Training in Celebration of the EcoPro Group's 25th Anniversary

In celebration of EcoPro Group's 25th anniversary, EcoPro Group is offering overseas training to all employees starting in June 2023. We offer a five-day, three-night overseas training program in Singapore to provide employees with the opportunity to experience an advanced corporate culture, broaden their knowledge and experience, and commit to a pledge for sustainable growth in the future.

ACCOMPANYING OUR EMPLOYEES



Snack Cheering: First Half Celebration and Morale Boost

EcoPro BM carried out the “Snack Cheering” event in July 2022, to show our gratitude to all our employees for their hard work and dedication, which has been instrumental in the company’s growth. Executives greeted employees on their way to work with cheering signs and well wishes and distributed snacks.

Carnation to Deliver Your Love

We held the “Carnation to Deliver Your Love” program to deliver carnations to parents of operational personnel who work shifts or remotely.

Mutually Beneficial Labor-Management Relations

EcoPro BM established the Family Council(Labor-Management Council), which is composed of 10 members, to promote employee well-being and create a win-win labor-management culture that supports the company’s growth and development. The Family Council meets quarterly to hear diverse perspectives from employee and management representatives. In 2022, the Family Council deliberated on and resolved a agenda related to employees’ rights, interests, and human rights in general, such as matters about the workplace environment for employees and securing an accident-free workplace.



Snack Cheering



Carnation to Deliver Your Love



Regular Family Council meetings

EcoPro BM’s Family Council Operation Status in 2022

	Number of resolutions	Main agenda
1st quarter	11	- System improvements, such as expand student loan support, implement flexible working times and review regulations on overseas business - Employee benefits, expand self-development support
2nd quarter	55	- System improvement, such as vacation system for long-term employees - Employee benefits, such as install more EV charging stations
3rd quarter	27	- System improvements, such as unify team sub-organizations - Employee benefits, such as improve the amount and quality of food served
4th quarter	24	- System improvement, such as increase housing benefit - Employee benefits, such as relieve parking congestion

RESPONSIBLE SUPPLY CHAIN MANAGEMENT



Responsible Minerals Management

The importance of responsible purchasing practices has become increasingly apparent due to growing concerns about the illegal mining of minerals in conflict zones, such as the Democratic Republic of Congo and its neighboring border regions, as well as high-risk areas such as the Russia-Ukraine war zone. EcoPro BM is committed to complying with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Due Diligence Guidelines) for responsible raw materials sourcing. We publish the Responsible Minerals Report to disclose our related activities. Additionally, we are actively working to minimize our sourcing from high-risk regions through our ongoing "Free Cobalt" research initiative.

Responsible Supply Chain Policy

EcoPro BM ensures that the minerals we use are sourced responsibly, managing our supply chain to enhanced standards in accordance with the OECD Due Diligence Guidelines, even though cobalt, nickel, and lithium, the primary raw materials used in our products, are not considered conflict minerals (3TG (tin, tantalum, tungsten, and gold)). We are taking steps to ensure that our mineral supply chain is free from the risks outlined in Appendix II of the OECD Due Diligence Guidelines.

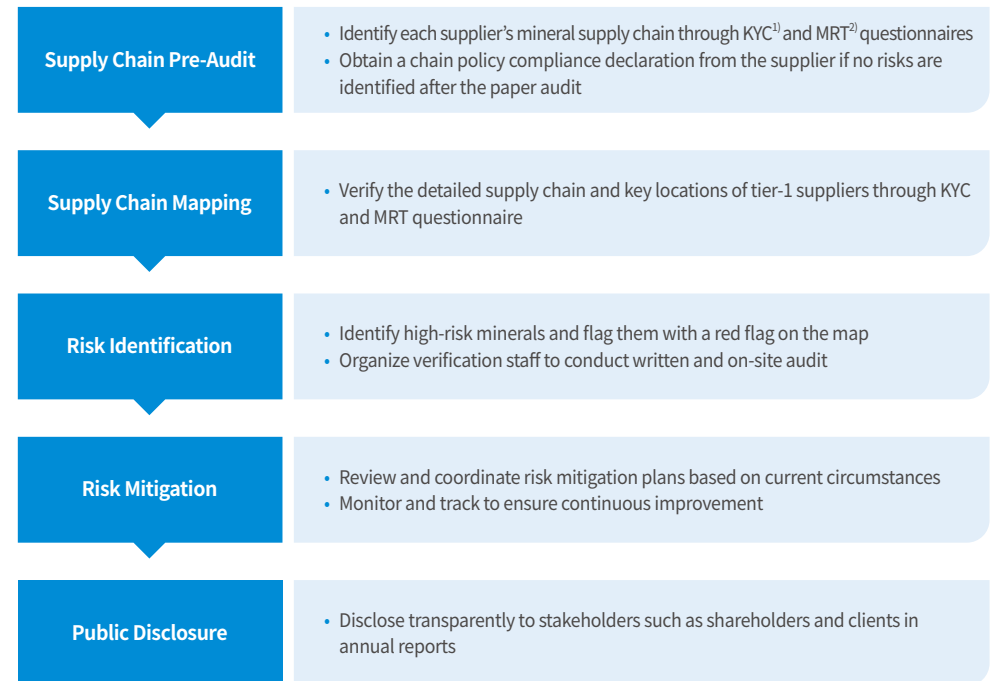
Conflict minerals	Not used
Responsible minerals	Designation of major minerals (nickel, cobalt, & lithium)

Risks mentioned in Annex II of OECD Guidance ("OECD Guidance Risks")

Risks	Details
Serious abuses associated with the extraction, transport or trade of minerals	Torture, cruel, inhuman and degrading treatment
	Forced or compulsory labour
	Child labour
	Sexual violence
	War crimes or other violations of international humanitarian law, crimes against humanity or genocide
Direct or indirect support to non-state armed groups	-
Direct or indirect support to private/public security forces	-
Bribery and fraudulent misrepresentation of the origin of minerals	Money laundering
No payment of taxes, fees and royalties to governments	-

Supply Chain Management Process

EcoPro BM evaluates the risk factors of all its suppliers to determine the feasibility of transactions, and conducts continuous monitoring, while enhancing the sustainability of our supply chain by establishing a supply chain management system to ensure that suppliers comply with our supply chain policies. Before registering a new supplier, we check its structure, production capacity, and whether conflict minerals are included to manage risks preemptively and ensure transparency in raw material supply and demand. All changes related to the supply chain management system are carried out only with the CEO's approval, and the Responsible Minerals Report is disclosed regularly.



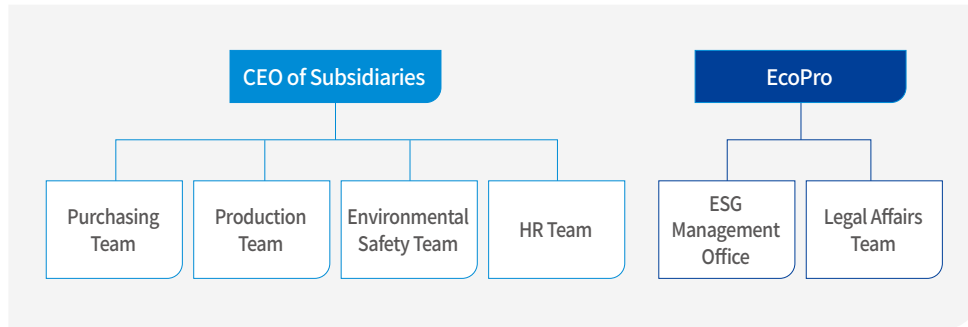
1) KYC (Know your counterparty): A questionnaire designed by RMI (Responsible Minerals Initiative), a global consultative body, to collect basic company information.
 2) MRT (Mineral reporting template): A questionnaire designed by RMI (Responsible Minerals Initiative), a global consultative body, to identify each company's supply chain.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT



Responsible Minerals Management Organization System

In April 2022, EcoPro BM formed a task force to establish a systematic supply chain system. The task force meets on a weekly basis with other group affiliates to exchange updates on activities, discuss follow-up actions and enhance the expertise of each organization. The meetings serve as a platform to monitor the progress of responsible minerals management and enhance the supply chain management system. This collaborative effort extends to engaging with relevant departments tasked with safety, labor, human rights, and the environment.



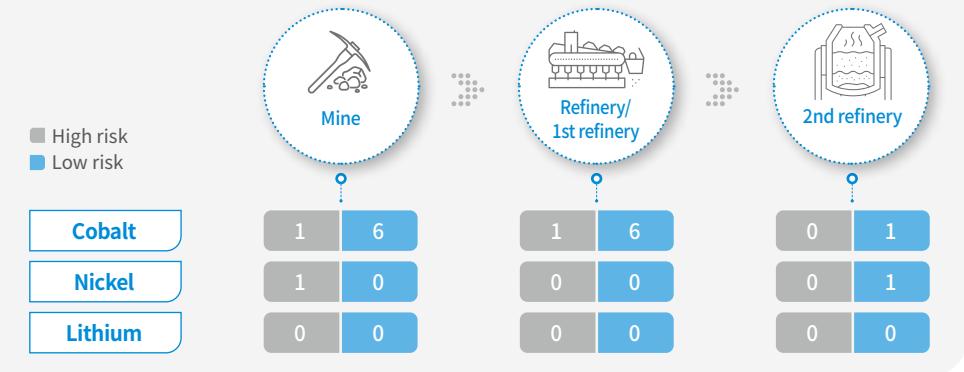
Responsible Minerals Training

We provide responsible mineral training to all employees of organizations and related departments responsible for managing responsible minerals, ensuring that they have a comprehensive understanding of the responsible mineral management system and related issues. In 2022, 14 members completed the training, and it is planned to expand the subjects to all employees.

Supply Chain Risk Management

We conducted a risk assessment of our entire supply chain in accordance with the OECD guidelines. Out of the 49 sites assessed, 17 were identified as at risk, including 3 high-risk sites and 14 low-risk sites. High-risk supply chains include those that are not registered with the RMI or are directly impacted by human rights violations, such as the Russia-Ukraine War.

Results of Risk Identification



Measures to Mitigate Supply Chain Risks

EcoPro BM reviews our supply chain risk mitigation efforts according to the level and circumstances of identified risk and makes requests for improvements with ongoing monitoring in coordination with the supplier concerned according to internally determined measures.

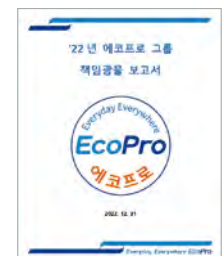
High-risk groups	New contracts and purchases of products containing the relevant raw materials are terminated when the information is unreliable or immediate improvement is difficult due to external requirements.
Low-risk groups	Business relationship is maintained, but the reasons for being classified as a low-risk group are sent to the supplier, which must reply with an improvement plan and progress report to EcoPro.

Disclosure of Supply Chain Management Activities

We publish periodic reports on our supply chain risk management activities and performance achievements, and disclose them to our stakeholders through the company website, etc.



<https://ecoprobm.co.kr/eng/sub0610>





SHARED GROWTH

Promotion of Shared Growth

EcoPro BM is committed to a fair trade culture, distributing our supplier code of conduct and conducting comprehensive assessments to enhance suppliers' competitiveness and ensure shared growth. Also, we provide our suppliers with financial, management and technological support to help them run a stable business.

Shared Growth Program

Financial support

Credit rating support	Credit rating assignment through credit rating agencies
Payment	Payment in cash within 1 month of closing.

Management & technical support

Checks of financial condition	Checking suppliers' financial condition before transaction
Focus on mid- to long-term contracts	Focusing on mid- to long-term contracts for purchases according to the affiliate's mid- to long-term growth plan.
Preference to consigned materials	Reducing the burden on suppliers by supplying equipment parts and consumables

Communication support

Sharing supply chain information	Providing suppliers with information on best practices
Early involvement	Gathering supplier feedback and accepting their ideas through conference

Supplier Grievance Resolution Process

EcoPro BM operates a Whistleblow on its website to resolve supplier grievances, anonymously.

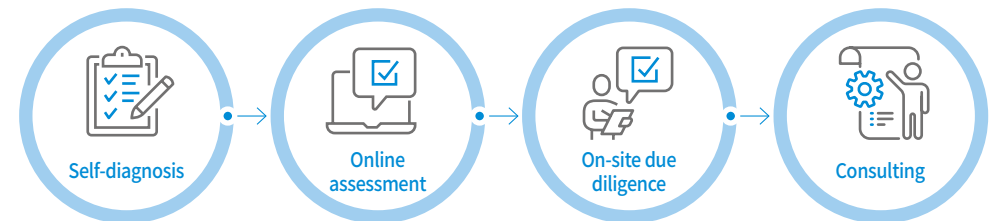
Support for Shared Growth with Suppliers

Given the growing demand for suppliers with strong ESG management capabilities, EcoPro BM operates support programs designed to enhance the ESG capabilities of our suppliers.

Supporting Suppliers' ESG Management

We conduct ESG assessments of suppliers through independent third-party specialists to ensure a sustainable supply chain. We plan to provide those receiving a low grade with an ESG consulting program for improvements.

Procedure for ESG Assessment of Suppliers in 2023



Incentive System for Excellent Suppliers

We plan to operate an incentive system for excellent suppliers to strengthen the capabilities of our suppliers, promoting a win-win corporate culture. We are committed to selecting suppliers based on annual evaluations and providing them with benefits such as preferential payment terms and selection as preferred bidder. We encourage suppliers who are falling behind to enhance their performance and align more closely with our policies. We provide training and consulting support to assist them in this process.

CUSTOMER SATISFACTION MANAGEMENT



Effective Quality Management

EcoPro BM is committed to deliver top-quality products by attentively understanding and incorporating the diverse needs of our customers in an ever-changing market. We engage in customer value enhancement activities focused on a systematic quality management system and organization. This approach ensures our customers are confident in the quality and reliability of our products.

Quality Control Activities

We guarantee the highest level of quality by monitoring regulations for product quality and complying with them at every stage of the production process from raw material input to packaging. Toward this end, we identify quality issues at each stage and enhance the verification process implement quality improvement measures.

Non-magnetic material inspection & replacement	<ul style="list-style-type: none"> Check and replace non-magnetic materials using portable XRF in all processes; Identify non-magnetic materials in spare bolts & nuts and dispose of them as necessary
Foreign material control in the air	<ul style="list-style-type: none"> Capture and analyze airborne foreign materials in the main header
Special characteristic management	<ul style="list-style-type: none"> Manage the process capability index (Cpk) and statistical process control (SPC) for each item with special characteristics
Metallic foreign body removal	<ul style="list-style-type: none"> Identify the processes that generate metallic foreign bodies and implement preventive measures

Nurturing Quality Management Professionals

Our dedicated Quality Control professionals understand the significance of product quality control. They enhance their quality control skills through various means, including obtaining VDA 6.3¹⁾ examiner certification. Following VDA 6.3 process audit standards, our qualified employees regularly perform due diligence and improvement activities at internal and external business sites. In addition, they actively share international standard requirements with their colleagues to promote a culture of quality excellence.

1) VDA 6.3: Standards for process audits of quality control management of a product life cycle in the automotive industry.

Improve Customer Satisfaction

EcoPro BM monitors and analyzes customer feedback to drive continuous improvements in customer satisfaction. We have obtained IATF 16949¹⁾, an automobile quality management system, to demonstrate our commitment to increasing customer satisfaction and producing reliable products. IATF 16949 is a certification that covers quality-related activities, including planning, assurance, management, and improvement activities.



IATA 16949 certification

Customer Satisfaction Management Process

In the event of customer complaints, we employ a systematic approach to address the root causes following steps : receiving complaints, implementing action plans, and evaluating their effectiveness. Also, We actively collaborate with our customers during regular quality exchange meetings to pinpoint areas for improvement. Through maintaining product competitiveness throughout the value chain, we strive to maximize customer satisfaction and enhance the overall customer experience.

Responding to Product Regulations

EcoPro BM complies with the REACH²⁾ requirements when designing cathode materials, and acquires the relevant certifications. Accordingly, we reduce the use of hazardous substances according to REACH guideline, and also provide MSDS³⁾ to all customers so that safety problems are prevented in advance and expected problems resolved.



ROHS Report⁴⁾



SVHC Report⁵⁾

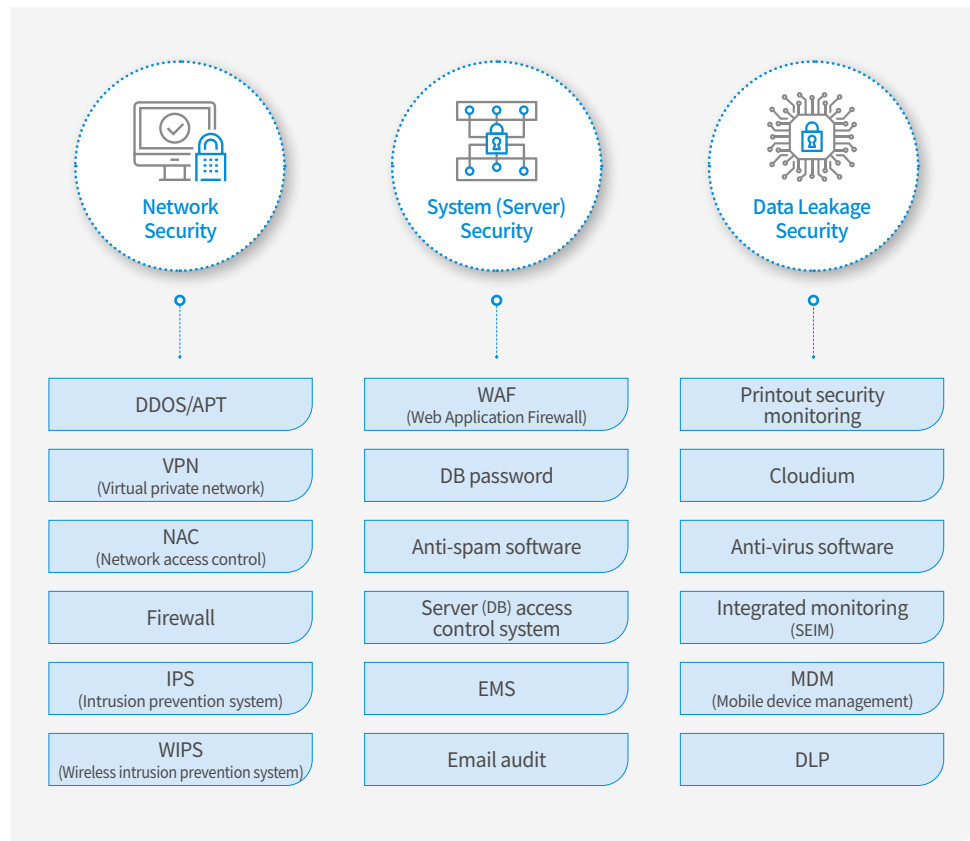
1) IATF 16949: A quality management system standard in the automotive field that is applied to the automotive parts supply chain and was developed by IATF, which is composed of world-class automobile manufacturers in association with the International Organization for Standardization (ISO).
 2) REACH: The EU's new chemical substance management system adopted to register, evaluate, permit, and restrict chemical substances according to the amount and risk of new chemicals in Europe.
 3) MSDS: A form containing the information necessary for the safe use and management of chemical substances.
 4) RoHS: Restriction of hazardous substances
 5) SVHC: Substances of very high concern

CUSTOMER SATISFACTION MANAGEMENT



Improve Information Security Management System

EcoPro BM has established and operates an information security system for the network, system (server), and data field to respond to cyberattack threats and the risk of confidential information leakage.



Information Security Activities

EcoPro BM regularly identifies security vulnerabilities, namely potential cyberattacks, and takes the necessary prevention and improvement measures, while also strengthening information security management, such as document access. In addition, we continuously analyze information security trends in S. Korea and overseas to protect our information assets, including major core technologies. We educate our employees about the importance of information protection through training and simulated exercises, and we also build systems to keep our information safe.

Establishing a security inspection system	Raising awareness of information protection	Improving and reinforcing information security operation management
<ul style="list-style-type: none"> Installing an integrated cybersecurity monitoring system Installing the DMS (desk senior management system); Enhancing physical security measures (speed gates, X-ray search stand, and gate-type search stand); Adding watermarks to screens Establishing wireless intrusion prevention system (WIPS) 	<ul style="list-style-type: none"> Training sessions for cybersecurity system recovery Companywide security training; Simulated training exercises to counter malware hacking emails Simulation training to counter malware hacking 	<ul style="list-style-type: none"> Disclosing information security measures Establishing and developing companywide information security regulations; Establishing document classification system for the core technology departments; Membership in the Korean Association for Industrial Technology Security

Designated as National Core Technology

EcoPro BM's cathode material technology is designated as the national core technology. We cooperate with national agencies to prevent technology leakage and enter overseas markets with sound security. We also build strong information security systems.



MUTUAL BENEFIT WITH COMMUNITIES

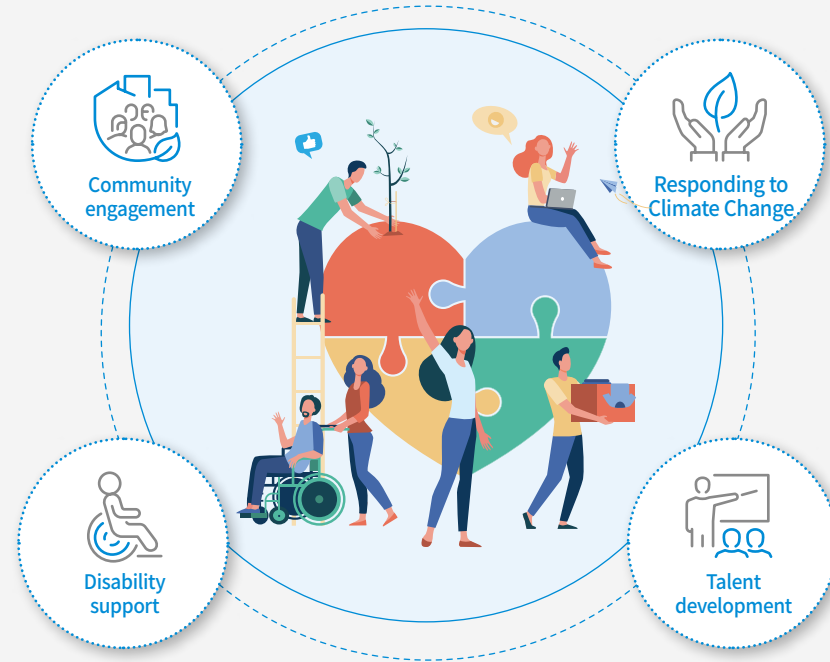


Social Contribution Strategy

We work with other EcoPro affiliates to encourage a culture of mutual benefit through shared community engagement and to promote a culture of collaboration and cooperation. We engage in social contribution activities with the participation of employees and local communities under 4 themes to address social problems in the environment, communities, and society in general.

Encouraging a culture of mutual benefit through shared engagement with the community and Promoting a culture of collaboration and cooperation

- Actions for a healthy planet
- Talent development for self-realization
- Community engagement through communication
- Disabilities employment opportunities and sports team support



MUTUAL BENEFIT WITH COMMUNITIES



Environmental Protection & Support for Future Generations

Installation of a Green Light for the Fine Dust Notice Board

In response to the growing concerns from local communities about climate change and air pollution, particularly PM2.5 and PM10, we have utilized our corporate resources to take action. For example, we installed signboards displaying dust concentrations at 5 elementary and middle schools in downtown Cheongju in 2022. These signboards helps to reduce the risk of respiratory and related diseases in children and allow them to easily understand fine dust concentration levels with traffic lights.



Eco Bridge : University Student Volunteer Group

Since 2020, EcoPro has supported a University student volunteer group called Eco Bridge that works to improve its members' skills and develop local communities. Eco Bridge members to plan and carry out social contribution programs voluntarily, such as education for children at local children's centers and the Children's Environmental Golden Bell Festival.



Nurturing Future Talents

Support for University Student Club for Independent EV Production

The University Student Club EV Production Support Project is a social contribution program launched in 2019. It is founded on the founder's belief that nurturing human talent and qualified professionals is important for a better future. We utilize the features of our company and support independent vehicle production clubs, geared to members interested in secondary batteries. In 2022, we supported 16 clubs nationwide. we also provide donations and uniforms, and offer opportunities for students to tour EcoPro workplaces.



Eco-Friendly Ideas Contest for University Students

EcoPro BM holds an eco-friendly idea proposal contest targeted at University students to provide them with opportunities to think about solving environmental problems independently. Through this competition, we support the dreams of the youth by providing them with incentives, such as prize money.



MUTUAL BENEFIT WITH COMMUNITIES



Community Contribution

The Maternity Box support project

Support to **241** households

To help address Korea's low birth rate, EcoPro BM has provided "maternity boxes" filled with baby products to low-income and socially vulnerable households in Pohang and Chungcheongbuk-do to support their well-being and happy living. We have supported 150 households in Chungcheongbuk-do and 91 households in Pohang City, and continue to expand our support.



Donation of KRW 10 billion to Typhoon-Stricken Areas

EcoPro BM and 7 affiliates donated some KRW 10 billion to Pohang City after it suffered extensive damages caused by Typhoon Hinnamnor. The donation was used to provide emergency relief, restore public facilities, and distribute daily necessities to victims in the Pohang area.



Support for Local Community Development,

Donation of **2,400** Traffic Safety Items

We continue to execute supports for community safety and living convenience. In 2022, We supplied elementary school students in Pohang with various traffic safety items to ensure their safe walking on the streets. We also sponsored a comprehensive cleaning application in Cheongju to revitalize the local economy. Additionally, we donate household goods for the low-income socially vulnerable neighbors in our local communities.



Provision of traffic safety items for elementary school students in Pohang City.



Sponsoring of a comprehensive cleaning application in Cheongju City.

Disability Sports Teams Support

EcoPro Onnuri Sports Team

The EcoPro Onnuri Sports Team, established in 2018, is a group of athletes with physical disabilities in track and field, marksmanship shooting, billiards, fencing, and weightlifting. Through the EcoPro Onnuri Sports Team, we are leading the way in creating a social climate that roots out inequality and discrimination against both disabled and non-disabled people through provision of fair workplaces that values a sense of inclusion for all. At the 42nd National Para Games, we won 31 medals, including 3 gold medals, 6 silver medals, and 22 bronze medals.



MUTUAL BENEFIT WITH COMMUNITIES



Win-Win Activities with Employees

Eco-Walking Campaign

EcoPro BM has launched and operates campaigns to deliver donations for children from socially vulnerable families. All employees used the WalkOn app to accumulate a combined total of steps, raising funds in proportion to their achievement rate. A total of 50 million steps were accumulated through the participation of 683 people, with the donations being used to improve the living conditions of children's families.



Happiness-Sharing Lunch Box Delivery Service

EcoPro BM's employee volunteer group, provided lunch boxes to 150 households in Cheongju, including elderly people, people with disabilities, and children of socially vulnerable families.



Sustainable Activities & Value Creation

Year-end 1% Sharing and Donation Campaign (Corporate Matching Grant)

Every year, in line with EcoPro BM's commitment to encouraging a culture of mutual benefit through shared community engagement, in collaboration with our affiliates engage in making and collecting donations. During this campaign, we matches employee donations on a dollar-for-dollar basis and all donations are delivered to the Community Chest of Korea.

1,800 participants

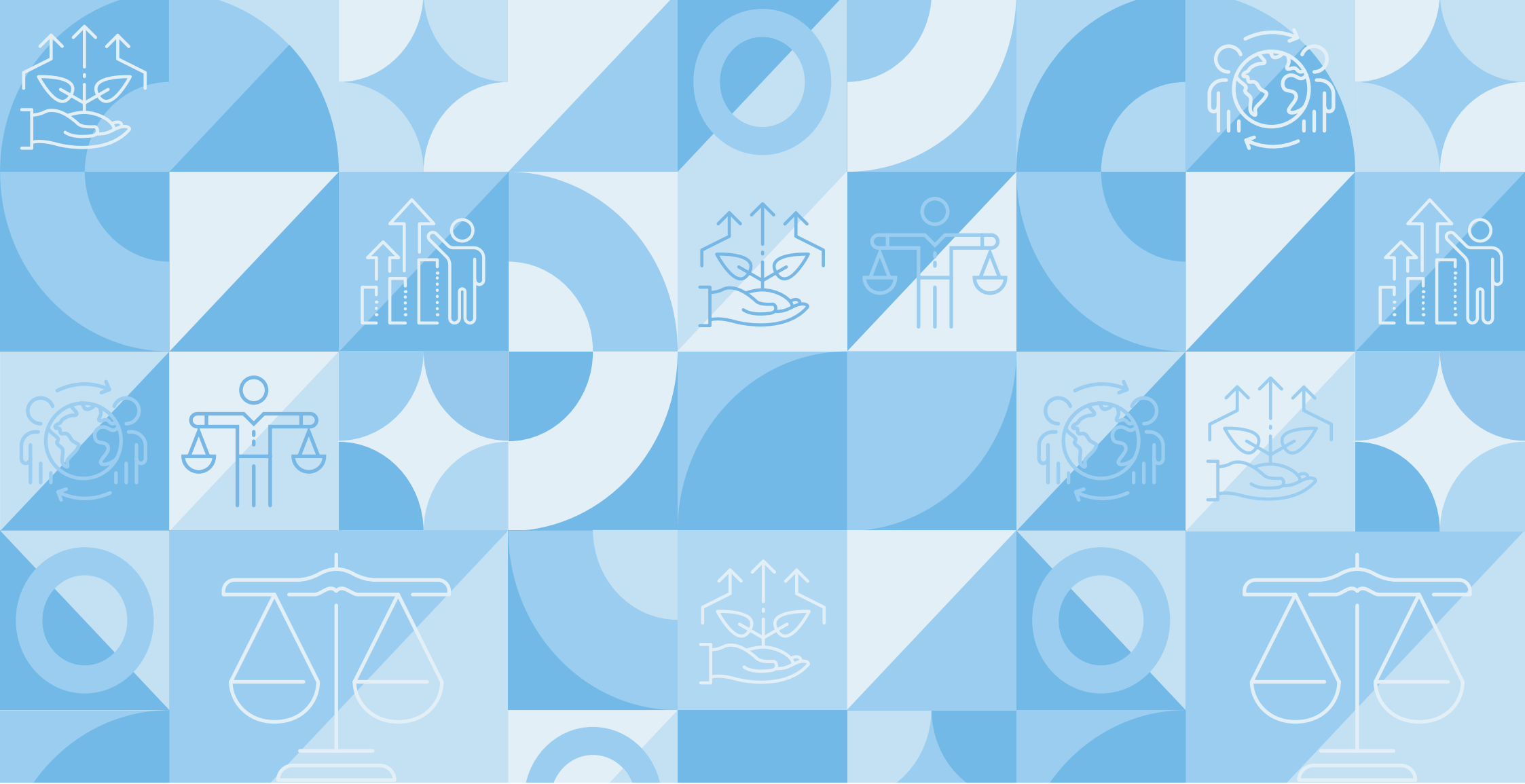
KRW 140 million of donated funds

4-Time CSR in Community Award Winner

In recognition of our win-win activities with local communities, EcoPro BM has been selected as a company recognized for contributing to the local community for 4 consecutive times by the Ministry of Health and Welfare and the Korea National Council for Social Welfare.



지역사회공헌 인정제 CSR in the Community 2022



GOVERNANCE

Transparent Management	053
Ethical Management	055
Compliance Management	058
ESG Risk Management	059



TRANSPARENT MANAGEMENT

Board of Directors Structure

EcoPro BM’s Board of Directors (hereinafter “BOD”), our highest decision-making body, represents the interests of shareholders and stakeholders by supervising, deliberating and making decisions on management issues from a long-term perspective, based on the various expertise of the members. The BOD is comprised of 9 members in total, including 3 executive directors, 1 other non-executive director, and 5 Independent directors.

Board Composition

As of March 2023

Category	Name	Gender	Profile	Tenure of Service
Executive directors	Joo Jae-hwan	Male	(Current) Co-CEO, EcoPro BM (Degree) M.A. in Chemical Engineering, Korea Univ.	Mar. 2022 ~
	Choi Moon-ho	Male	(Current) Co-CEO, EcoPro BM (Degree) Ph.D. in Energy Engineering, Hanyang Univ.	May 2016 ~
	Kim Jang-woo	Male	(Current) Vice President, EcoPro BM (Degree) EMBA, Korea Univ.	Mar. 2022 ~
Non-executive director	Kim Sun-ju	Female	(Current) Director of Finance Office, EcoPro (Degree) MBA, Sogang Univ.	Mar. 2023 ~
Independent directors	Kang Ki-seok	Male	(Current) Professor, Seoul Nat'l Univ. (Degree) Ph.D. in Materials Science & Engineering, MIT	Mar. 2022 ~
	Jo Jae-jeong	Male	(Current) Executive Advisor, Law Firm Min (Degree) Ph.D. in IT Policy Management, Soongsil Univ.	Mar. 2022 ~
	Shin Il-yong	Male	(Current) CEO, Galaxia Communications (Degree) BBA, Seoul Nat'l Univ.	Mar. 2019 ~
	Oh Kyu-seop	Male	(Current) President, Law Firm Myeongjang (Degree) M.A. in Administrative Law, Chungbuk Nat'l Univ.	Mar. 2019 ~
	Lee Hwa-ryeon	Male	(Current) CEO, Daehwa Construction Co., Ltd. (Degree) MBA, Seoul Nat'l Univ.	Mar. 2022 ~

Director Appointment Process

EcoPro BM operates a fair and transparent process for the appointment of independent directors for the BOD. The Independent Director Candidate Recommendation Committee, which consists of 2 independent directors and 1 executive director, reviews the qualifications and competencies of independent director candidates and selects the candidates to be recommended to the BOD. Directors are appointed after considering the motive of the nomination and the candidate's experience and expertise.

Appointment Procedure



Board of Directors with Expertise and Diversity

The BOD maintains its competency by electing directors with business expertise in corresponding fields, such as management, accounting, finance, and law. The majority of the board members are independent directors with expertise and independence, which helps to ensure transparency. EcoPro BM also provides professional training geared to secure their expertise. We provided training for independent directors of listed companies, focusing on critical capital markets issues. We also offered training to Audit Committee members on supervising affiliates and managing the internal accounting system in 2022. We also offered specialized training on a case-by-case basis to enhance the expertise of independent directors when requested or needed.

TRANSPARENT MANAGEMENT



Committees under the BOD

The BOD operates the following 4 dedicated committees: Internal Transaction Committee, Compliance Committee, Audit Committee, and Independent Director Candidate Recommendation Committee. Each committee includes at least 3 independent directors, while the Audit Committee is entirely composed of independent directors. In 2022, the Internal Transaction Committee held 10 meetings, the Audit Committee held 5 meetings, and the Compliance Committee held 3 meetings. The committees have the authority to review and make recommendations on management practices related to insider trading cases, anti-corruption and fair competition practices, human rights protection, environmental enhancement activities, and ESG management activities.

Committee	Purpose/ Activities	Members
Internal Transaction Committee	Strengthening the internal control system; Activating the management oversight function of independent directors; Reviewing the adequacy of transactions with affiliates, etc.	Shin Il-yong, Kang Ki-seok, & Lee Hwa-ryeon
Compliance Committee	Strengthening transparent & compliance management; Reviewing compliance management policies & activities; Monitoring human rights policies, compliance activities, etc.	Oh Kyu-seop, Jo Jae-jeong, & Kang Ki-seok
Audit Committee	Monitoring internal accounting practices; Evaluating the operation of the internal accounting management system; Establishing an annual audit plan, etc.	Lee Hwa-ryeon, Oh Kyu-seop, & Jo Jae-jeong
Independent Director Candidate Recommendation Committee	Deliberating on candidate recommendation for the CEO & BOD; Deliberating on organizational issues such as the ESG & Compliance Committee	Jo Jae-jeong, Shin Il-yong, & Choi Moon-ho

ESG Committee

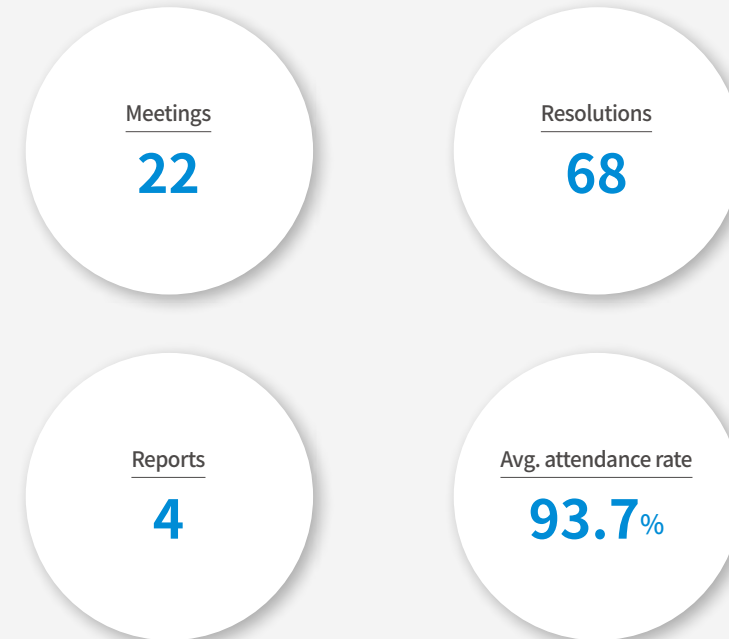
EcoPro operates the ESG Committee, composed of 1 executive director and 3 independent directors under the BOD. The Committee establishes ESG management strategies for all group affiliates, determines mid- to long-term goals, monitors the implementation performance of ESG management activities, and reviews matters related to incidents of major risks and countermeasures or responses. In 2022, there were 2 regular meetings held, committee members selected, and ESG performance evaluation results reported.

BOD Operations

The board of directors (BOD) holds regular monthly meetings. To approve the proposed agenda, a quorum of directors to be present and a majority vote from those in attendance is required. For matters specified by relevant laws, such as Article 398 (Transactions between Directors, etc. and the Company) of the Commercial Act, the proposed must be approved by a two-thirds majority vote of the directors. Directors who are unable to attend a meeting involving a resolution are encouraged to participate through other communication methods.

BOD Meeting Status Details in 2022

(Unit : Number of cases)



ETHICAL MANAGEMENT



EcoPro BM pursues ethical and sustainable management practices for sustainable growth and build mutually beneficial relationships with the community, suppliers, and other stakeholders. We strictly adhere to our core values and principles, transparently disclosing our core values and policies regarding ethics and human rights to build a corporate culture that respect all stakeholders.

Code of Ethics & Human Rights

Core Values



We respect our customers and strive to give them satisfaction and affection.



We faithfully ensure profits for our shareholders through transparent and efficient management practices.



We advocate for fair competition and work to establish a sound commercial order.



We encourage mutually trust and beneficial relationships with our partners through fair trade and collaboration.



We comply with all laws and ethical standards and practice social responsibility through environmental protection and social contribution.



We create an organizational culture of mutual trust and respect and maintain dignity and honor as constituents of ECOPRO.



ETHICAL MANAGEMENT



Ethical Management Practice System

To enhance our ethical management practices, EcoPro BM engages in activities such as ethical training and institutes and enacts pledges for ethical management practices made by employees. Also, we encourage our stakeholders, such as suppliers, to participate in ethical management.



Practicing Clean Management

EcoPro BM provides comprehensive clean management training for all employees including training on the Code of Ethics and prevention of sexual harassment. We also conduct activities like receiving Pledges on Clean Management Practices. In 2022, 472 people signed the Pledge on Clean Management Practices. By 2023, all employees will have signed the pledge to prevent unfair trade.



Pledge on Ethical Management Practices

Internal Assessment of Ethical Management

EcoPro BM conducts ethical impact assessments to evaluate how our ethical management activities affect our stakeholders and identify any gaps in our ethical practices. We assess employees at the team leader level or above using specific diagnostic indicators across four key areas: commitment to ethical management principles, implementation strategies, organizational setup for ethical management, and the corresponding systems in place. This thorough evaluation process ensures our dedication to upholding ethical standards and continuous improvement in our ethical management practices.

Diagnosis Items

Commitment to practicing ethical management & implementation strategies

Ethical management implementation organization and system

Code of Ethics and Guidelines

Ethics training & internal/ external communication

Average score:

3.97 points

(Based on the 5-point scale)

Human Rights Impact Assessment

EcoPro Group makes efforts to identify and mitigate risk factors related to employment, labor, and human rights according to the “The United Nations Guiding Principles on Business and Human Rights”. We are committed to improving human rights through “responsible sourcing” activities that do not involve raw materials purchased from or contributing to conflict areas and groups. We also monitor potential human rights risks and transparently disclose the measures taken as well as the results obtained.

Implement human rights management

Implement human rights management according to the “Declaration of Human Rights Management” and internal policies.

Identify potential human rights risks

Create a list of potential human rights issues for each major stakeholder.

Assess human rights risks

Conduct human rights fact-finding surveys to identify groups who are susceptible to human rights violations and assess material risks.

Mitigate human rights risks

Implement risk mitigation activities and monitor them regularly.

Report on human rights impacts

Report on the results of human rights assessments and human rights risk mitigation activities.

ETHICAL MANAGEMENT



Stakeholder Grievances Handling Process

EcoPro BM operate an ethical reporting whistleblowing system to make it easy for all stakeholders to report violations of the Code of Ethics and our ethical principles. The whistleblowing system allows to report a case of rights violation confidentially, and the whistleblower is strictly protected to prevent them from experiencing any negative consequences.

Whistleblowing System

When we receive a grievance report, we promptly investigate it through our grievance process, take action on the matters, and provide feedback to the whistleblower. In 2022, we handled and resolved 7 cases, including fraud and harassment incidents in the workplace.

Types of Grievance Reports



Human rights



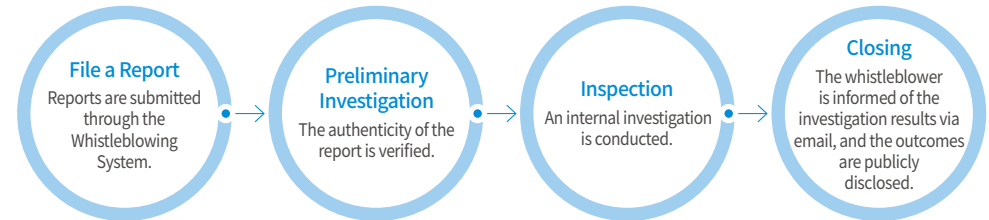
Unfair trade



Supply chain

Workplace sexual harassment & bullying cases	Confidential information leakage	Fraud & bribery	Accounting fraud
Unfair trade practices	Unfair discrimination	Supply chain policy & due diligence system grievances	Other unethical or illegal acts

Handling process



Standards for protection of Whistleblowers

- 01 Whistleblowers should be treated confidentially when handling reports.
- 02 If necessary, the confidentiality of internal whistleblowers should be maintained even after closure of a case.
- 03 EcoPro BM must take all necessary measures to ensure that whistleblowers are protected from any detrimental backlash afterward.

Status in 2022

- 01 4 process-related cases
 - 02 1 case related to attendance
 - 03 2 internal issues
- All processed cases have been concluded, and the notification of the results has been completed

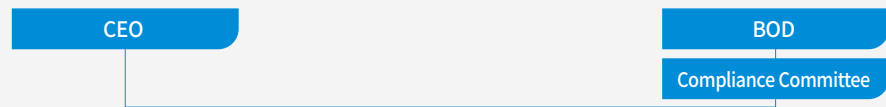


COMPLIANCE MANAGEMENT

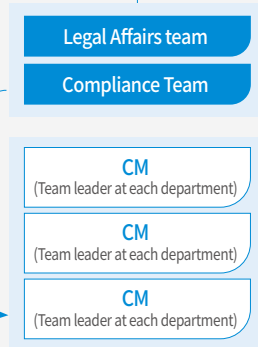
Compliance Management System

EcoPro BM has restructured our compliance system to keep up with the changing regulatory landscape and to strengthen our commitment to legal compliance. In 2022, we established a Compliance Committee under the Board of Directors and created a compliance organization under the authority of our parent company. This structure allows us to develop comprehensive compliance regulations, policies, and operational guidelines.

Establishment of Compliance Policies



(Parent company)



- Review and improve compliance performance
- Provide compliance resources
- Provide compliance training

- Conduct self-inspection
- Report on compliance findings and improvement plans
- Investigate and respond to compliance incidents

* CM: Compliance manager

Self-Inspection System

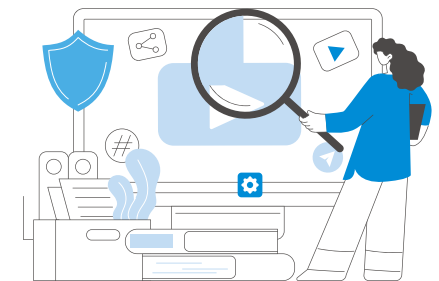
EcoPro BM provides notifications on the relevant laws and 5 major work manuals to ensure that its employees do not violate the laws and regulations when carrying out their duties. This allows our employees to easily refer to the items related to legal compliance.

5 major work manuals



Enhancing Employee Legal Compliance

EcoPro BM provides legal compliance training for our employees to ensure that they practice systematic legal compliance management and to minimize the risk of violations. In 2022, we provided non insider trading regulations for new employees. Going forward, we plan to expand and strengthen the scope and content of our training on preventing unfair stock trading conduct to ensure compliance with insider trading regulations. We will also enhance employees' awareness of compliance by training them on fair trade laws.

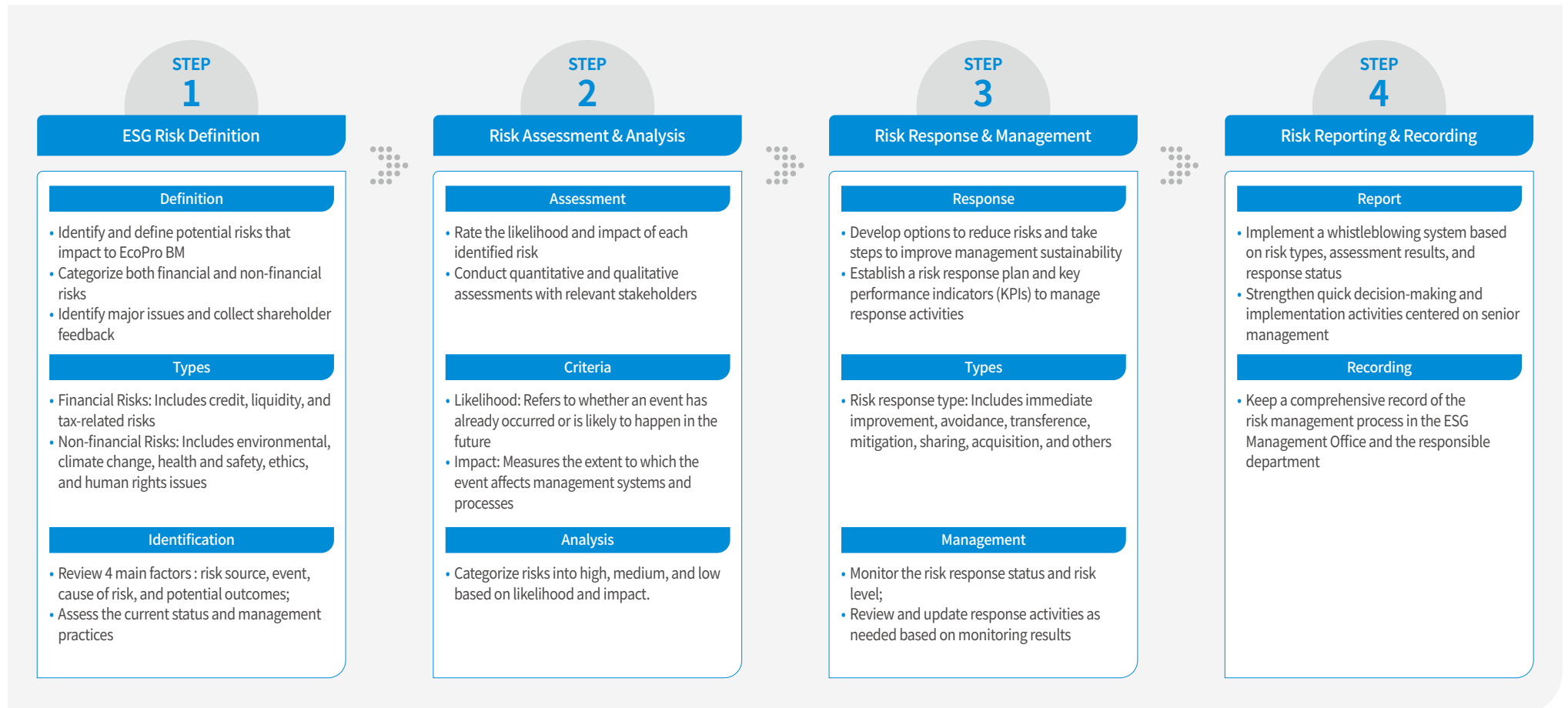


ESG RISK MANAGEMENT



EcoPro BM has established an ESG risk management system to identify, assess, and manage environmental, social, and governance risks that may affect our business. The holding company’s ESG Management Office supervises ESG risk management, defines potential financial/ non-financial risks in each area, analyzes their impacts on the company and society, and establishes appropriate countermeasures and whistleblowing systems to strengthen risk management. We also gather opinions from ESG specialists to make decisions for more professional and responsible business.

Risk Management System



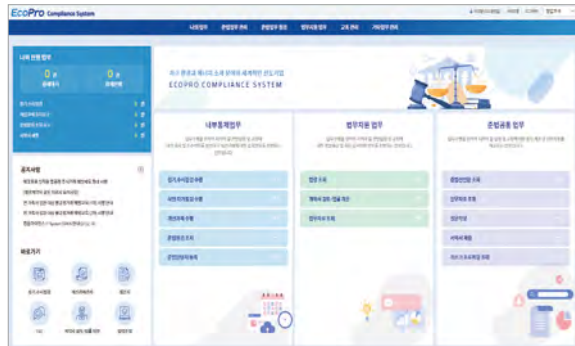
ESG RISK MANAGEMENT



Cases of Response to Main ESG Risks

Case 1 | Compliance IT System

EcoPro BM has developed a compliance IT system to ensure that employees are aware of and comply with relevant laws and regulations while performing their duties. The system provides legal and regulatory information, and it also identifies and manages improvement tasks within the system.



Case 2 | Prevention of Unfair Trade

EcoPro BM enforces an internal control system to prevent insider transactions related to employee stock trading. We have taken steps to enhance our commitment to preventing illegal insider trading. This includes our subscription and registration with the KRX-Insider Trading Alarm Service (K-ITAS), along with providing detailed information to our employees about the laws and measures to prevent illegal stock trading. Also, we promote a fair stock trading culture by training new employees to be aware of and avoid insider trading, as well as to manage the risks associated with such transactions.



※ The K-ITAS system is a Korea Exchange (KRX) service that automatically notifies listed companies of employee transactions in treasury stocks. The Financial Services Commission and KRX recommend the system adoption to prevent illegal stock transactions and strengthen internal controls.

Case 3 | Response to Ecotoxicity Issue

To protect the environment from the harmful effects of wastewater generated from the secondary battery industry, EcoPro BM has improved the wastewater treatment process by installing MVR (mechanical vapor recompression) evaporation thickening facilities and RO (reverse osmosis) system. As part of our commitment to sustainability, we are actively working towards achieving a wastewater discharge-free workplace. These improvements will also be applied to our upcoming plants as well.

※ Ecotoxicity Assessment : An assessment that measures the toxicity of unknown hazardous substances in discharged water using living organisms (water fleas) for the comprehensive management of industrial wastewater quality.



APPENDIX

ESG Data	062
GRI Standards Index	068
TCFD (Responding to Climate Change)	071
Third-Party Assurance Statement	072
Outstanding Accomplishments & Affiliated Associations	074

ESG DATA

Financial Performance Highlights

Consolidated Financial Statements

(Unit: KRW)

Account		Fy. 2020	2021	2022
Total assets	Current assets	304,796,633,625	739,143,497,291	2,274,293,401,185
	Fixed assets	494,189,491,156	686,714,254,647	1,099,872,977,790
	Total assets	798,986,124,781	1,425,857,751,938	3,374,166,378,975
Total liabilities	Current liabilities	188,978,798,089	612,882,217,465	1,547,889,953,385
	Fixed liabilities	142,689,702,556	216,830,321,600	338,061,298,167
	Total liabilities	331,668,500,645	829,712,539,065	1,885,951,251,552
Total equity	Capital Stocks	10,517,583,000	11,459,733,000	48,940,909,000
	Owner's equity	276,059,459,327	294,457,393,508	878,906,601,738
	Other components of equity	21,317,404,634	21,779,638,995	3,352,621,287
	Retained earnings	135,690,011,343	224,002,742,753	432,243,505,289
	Non-controlling interest	23,733,165,832	44,445,704,617	124,771,490,109
	Total stockholders' equity	467,317,624,136	596,145,212,873	1,488,215,127,423

Consolidated Statements of Comprehensive Income

(Unit: KRW)

Account	Fy. 2020	2021	2022
Sales	854,748,843,876	1,485,628,623,826	5,357,607,238,956
Cost of sales	749,175,488,249	1,295,494,962,535	4,841,442,891,689
Gross profit margin	105,573,355,627	190,133,661,291	516,164,347,267
Operating profit	54,769,281,487	115,031,248,500	380,676,718,075
Net income before tax expenses	47,617,844,012	114,425,469,995	322,533,781,505
Net profit	46,658,311,822	97,789,788,764	272,653,525,172
Other comprehensive income	-1,149,226,454	-3,321,659,660	-5,649,489,379
Total comprehensive income	45,509,085,368	94,468,129,104	267,004,035,793

Distribution of Financial Performance

(Unit: KRW 100 M)

Category	Item	Fy. 2020	2021	2022
Country	Corporate tax	2,254	5,918	24,161
Shareholders	Dividend	9,429	9,429	21,012
Community	Social contribution cost	315	524	2,542
Suppliers (all)	Purchase cost ¹⁾	680,981	1,393,927	3,308,616
Employees	Labor cost	53,671	79,917	109,836

1) Purchase cost: Includes the raw and subsidiary material costs of subsidiary EM.

ESG DATA

Environmental Performance

Water Consumption and Intensity

	Category	Unit	Fy. 2020	2021	2022
Water consumption	Non-renewable water	MT	368,416	520,045	470,704
	Recycled water	MT	-	-	-
	Total	MT	368,416	520,045	470,704
Water resource types	Third-party water supply (general/industry waterworks etc.)	MT	368,416	520,045	470,704
	Underground water	MT	-	-	-
	Seawater	MT	-	-	-
	Surface water	MT	-	-	-
Water Intensity	Water consumption per sales of KRW 100 M	MT / KRW 100 M	43.1	35.0	16.4

※ 16% of total production was outsourced in 2022

Pollutant Management

	Category	Unit	Fy. 2020	2021	2022
	NOx emissions (nitrogen oxides)	MT	1.93	2.25	3.54
	SOx emissions (sulfur oxides)	MT	0.60	0.10	0.08
	PM emissions (particulate matter)	MT	0.58	1.90	1.03
	Others	MT	0.15	0.11	0.05

Water Pollutant Discharge Management

	Category	Unit	Fy. 2020	2021	2022
	COD	kg	985	831	778
	BOD	kg	86	81	276
	SS	kg	947	1,567	998
	n-H	kg	28	234	61
	Others	kg	-	-	-

Waste Management

	Category	Unit	Fy. 2020	2021	2022
Waste generated	General waste	MT	3,453	8,015	9,138
	Designated waste	MT	22	23	89
	Total	MT	3,475	8,038	9,226
Waste treatment	Incineration	MT	-	33	-
	Landfill	MT	-	2	-
	Neutralization	MT	-	7	6
	Recycling	MT	3,343	7,708	9,170
	Total	MT	3,343	7,750	9,176

ESG DATA

Environmental Performance

GHG Emissions Management (Scope1, Scope2)

Category	Unit	Fy. 2020	2021	2022
Direct emissions (Scope 1)	tCO ² eq	1,891	2,270	1,187
Indirect emissions (Scope 2)	tCO ² eq	86,656	121,058	121,551
Totals	tCO ² eq	88,547	123,328	122,739

Energy Management

Category	Unit	Fy. 2020	2021	2022	
Energy consumption (Electric power)	Non-renewable energy	MWh	185,855	263,502	264,544
	Renewable energy	MWh	-	-	-
	Total	MWh	185,855	263,502	264,544
Energy consumption (City gas)	Non-renewable energy	km ³	726	874	396
	Renewable energy	km ³	-	-	-
	Total	km ³	726	874	396
Energy resource types	Electricity	TJ	1,784	2,530	2,540
	Fuel	TJ	36	44	23
	Steam	TJ	-	-	-
	Others	TJ	-	-	-

Energy Intensity

Category	Unit	Fy. 2020	2021	2022
Energy usage	MJ	1,820,614	2,573,344	2,562,520
Energy usage per sales	MJ/KRW 100 M	213	173	89

※ 16% of total production was outsourced in 2022

Hazardous Chemicals

Category	Unit	Fy. 2020	2021	2022
Consumption	MT	11,003	26,182	38,389

Eco Friendly Investments

Category	Unit	Fy. 2020	2021	2022
Environmental	KRW	275,000,000	200,378,500	2,237,700,000

Green Business Sales

Category	Unit	Fy. 2020	2021	2022
Purchases of green products	KRW 100 M	63	163	22
BM sales	KRW 100 M	8,552	14,861	34,153

※ EcoPro BM is a 100% cathode material supplier, aligned with 100% green distribution.

Green Training

Category	Unit	Fy. 2020	2021	2022
Total training hours	Hours	6,058	7,814	8,150
Total attendance	Persons	718	870	912
Average training hours per person	Hours/Persons	6.5	6.6	6.1

Status of Sanctions (Environmental)

Category	Unit	Fy. 2020	2021	2022	
Violations of environmental laws & regulations	Non-monetary penalty	Case	-	-	-
	Monetary penalty	Case	-	-	-
	Fine amount	KRW	-	-	-

※ Criteria for penalty other than fines.

ESG DATA

Social Performance

Number of Employees

Indicator	Unit	Fy. 2020	2021	2022
Male employees (executive + regular full-time)	Persons	878	1,229	1,307
Female employees (executive + regular full-time)	Persons	51	56	79
Fixed-term employees (contract-based) ¹⁾	Persons	27	50	50
Total	Persons	930	1,151	1,314
Male managers ²⁾	Persons	107	120	143
Female managers	Persons	-	-	-
Percentage of female managers	%	-	-	-
Employees with disabilities	Persons	18	22	30
Foreign employees	Persons	1	2	1
Veterans	Persons	3	3	3
Local youth ³⁾	Persons	236	517	537
Others	Persons	-	-	-

- 1) Fixed-term employees: Fixed-term employees and the Onnuri Sports Team (sports team for athletes with disabilities) members
- 2) Manager: Position holders (including executives).
- 3) Local youth: New hires aged 19 to 34 who are not eligible for housing subsidies

Workforce Management

Category	Unit	Fy. 2020	2021	2022
New hires	Persons	136	543	353
Turnover (voluntary ¹⁾ + recommended turnover)	Persons	65	302	197
Total employees	Persons	930	1,151	1,314
Turnover rate	%	7.0%	26.2%	15.0%
Average years of service (based on number of employees at current year-end)	Persons	3.2	3.0	3.1
Layoffs	Persons	-	-	-

- 1) Voluntary turnover: Employees who leave the organization on their own accord, without external pressure

Benefit and Perks

Category	Unit	Fy. 2020	2021	2022
Total expenses	KRW thousand	1,297,107	1,153,139	6,185,979
Average amount per employee	KRW thousand/ Persons	1,395	1,002	4,708

Parental Leave

Category	Unit	Fy. 2020	2021	2022
Number of employees on parental leave	Persons	5	10	11
Employees returning from parental leave	Persons	4	7	5
Rate of return to work after parental leave ¹⁾	%	75 %	100 %	-

- 1) Rate of return to work after parental leave : The rate of employees who have worked for 12 months or longer after returning from parental leave

Training and Education¹⁾

Category	Unit	Fy. 2020	2021	2022
Total training hours ²⁾	Hours	8,663	13,933	21,014
Average training hours per person	Hours	9	12	16
Number of training targets (non-duplicate) ³⁾	Persons	271	298	365
Rate of participation	%	29 %	25 %	27 %
Average training cost per person	KRW M	122	134	183
Total training cost	KRW K	130	113	137

- 1) Stated as the training standard for employees' self-development.
- 2) Details of training hours completed from January to the end of October in 2022.
- 3) Employees who are required to receive training in 2022.
- 4) Completion of 40 hours per individual as of 2022, reflected in the team KPI/ Completion of 20 hours per individual as of 2023, reflected in each individual MBO.

ESG DATA

Social Performance

Statutory and Mandatory Training

Category	Unit	Fy. 2020	2021	2022
Sexual harassment awareness training	Hours	1	1	0.5
	Persons	354	394	473
Disability awareness training	Hours	1	1	1
	Persons	915	1,033	1,354

※ Anti-Bullying & Harassment Training will be provided in 2023.

Health and Safety Accidents

Category	Unit	Fy. 2020	2021	2022	
Accident rate ¹⁾	%	0.21 %	0.17 %	0.60 %	
Number of accidents	Injured persons	Cases	2	2	7
	Fatalities	Cases	0	0	1
Lost time injury frequency rate (LTIFR) ²⁾	Rate	0.90	0.72	2.54	

1) Accident rate = (Number of incidents / Number of on-site employees) x 100

2) LTIFR = (Number of incidents / Total working hours) x 1,000,000

Health and Safety

Type	Unit	Fy. 2020	2021	2022
Total training hours	Hours	33,150	48,466	57,193
Total attendance ¹⁾	Persons	12,221	15,791	17,875
Average training hours per person	Hours/Persons	36	42	44

1) Total attendance: Total number of people participating in the monthly health and safety training.

Status of Sanctions (Safety)

Subject	Unit	Fy. 2020	2021	2022	
Violations of safety laws & regulations	Non-monetary penalty	Cases	-	-	1 ¹⁾
	Monetary penalty	Cases	-	-	1
	Fine amount	KRW M	-	-	1

1) Due to a fire accident at the Ochang Plant, the entire operation was ordered to stop in January 2022, and production resumed in April 2022 and March 2023.

Suppliers

Category	Unit	Fy. 2020	2021	2022
Number of suppliers	Companies	180	222	189
Number of main suppliers	Companies	77	105	116
Total purchase amount (suppliers)	KRW M	680,981	1,393,927	3,308,616
Total purchase amount (main suppliers)	KRW M	676,489	1,389,199	3,302,992

Responsible Minerals Supply Chain Risk Management

Category	Unit	Fy. 2020	2021	2022
Suppliers	Companies	-	-	49
High-risk suppliers	Companies	-	-	3
Low-risk suppliers	Companies	-	-	14

※ 2022.01.01 - 2022.12.31.

ESG DATA

Social Performance/ Management Governance

Social Contribution

Category	Unit	Fy. 2020	2021	2022
Monetary donation & community investment	KRW	335,161,510	524,146,906	2,448,384,000
Talent donation & pro bono service	Persons	171	114	203

Quality Management

As is typical of a B2B-specialized company, quality management follows a collaborative approach, involving regular customer meetings

Information Security

Category	Unit	Fy. 2020	2021	2022
Information Security and Privacy Awareness Training	Persons	-	377	1,227
Total attendance	Persons	-	331	1,202

Salary and Remuneration

(Unit: KRW 100 M)

Subject	No. of persons	Total remuneration	Average remuneration per person	Remarks
Registered directors (Excluding independent directors & Audit Committee members)	5	1,771	354	¹⁾
Independent directors (Excluding Audit Committee members)	2	105	53	¹⁾
Audit Committee member	3	121	40	¹⁾

1) According to the disclosure form preparation standard, the Number of persons indicates the number of directors currently in service as of the date of disclosure document preparation (2022.12.31), and (December 31, 2022). The "total remuneration" and "average remuneration per person" include directors currently in service, retired directors, and auditors for the period from the start of the fiscal year to the date of disclosure document preparation.

Ethical and Fair Trade

Category	Unit	Fy. 2020	2021	2022
Total training hours	Hours/year	1	1	1
Total attendance	Persons	901	1,070	1,252

GRI STANDARDS INDEX

EcoPro BM publishes the 'EcoPro BM Sustainable Management Report 2022,' which contains information on its 2022 ESG activities and performance in accordance with the GRI Standards 2021 reference.

Universal Standards (General Disclosures, GRI 2)				
Topic		Disclosure	Report Page	Remarks
The organization and its reporting practices	2-1	Organizational details	7	
	2-2	Entities included in the organization's sustainability reporting	ABOUT THIS REPORT	
	2-3	Reporting period, frequency and contact point	ABOUT THIS REPORT	
	2-4	Restatements of information	-	First Report
	2-5	External assurance	72-73	
Activities and workers	2-6	Activities, value chain and other business relationships	7-9, 12-13	
	2-7	Employees	7, 65	
	2-8	Workers who are not employees	65	
Governance	2-9	Governance structure and composition	53	
	2-10	Nomination and selection of the highest governance body	53	
	2-11	Chair of the highest governance body	53	
	2-12	Role of the highest governance body in overseeing the management of impacts	53	
	2-13	Delegation of responsibility for managing impacts	18, 53-54	
	2-14	Role of the highest governance body in sustainability reporting	18, 53-54	
	2-15	Conflicts of interest	53-54	
	2-16	Communication of critical concerns	53-54	
	2-17	Collective knowledge of the highest governance body	53	
	Strategy, policies and practices	2-22	Statement on sustainable development strategy	3-4
2-23		Policy commitments	3-4, 11	
2-24		Embedding policy commitments	3-4, 11, 22, 29, 43, 48, 55, 59	
2-25		Processes to remediate negative impacts	59-60	
2-26		Mechanisms for seeking advice and raising concerns	59	
2-27		Compliance with laws and regulations	58, 66	
2-28		Membership associations	74	
Stakeholder engagement		2-29	Approach to stakeholder engagement	19
	2-30	Collective bargaining agreements	42	

Universal Standards (Material Topics, GRI 3)				
Topic		Disclosure	Report Page	Remarks
Disclosures on material topics	3-1	Process to determine material topics	15	
	3-2	List of material topics	16	
	3-3	Management of material topics	16	

GRI STANDARDS INDEX

Topic-specific Standards (Economic Performance, GRI 200)				
Topic		Disclosure	Report Page	Remarks
Economic Performance	201-1	Direct economic value generated and distributed	8, 62	
	201-2	Financial implications and other risks and opportunities due to climate change	24	
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	49-51, 66	
	203-2	Significant indirect economic impacts	49-51, 66	
Anti-corruption	205-1	Operations assessed for risks related to corruption	59	
	205-2	Communication and training about anti-corruption policies and procedures	58	

Topic-specific Standards (Environmental Performance, GRI 300)				
Topic		Disclosure	Report Page	Remarks
Energy	302-1	Energy consumption within the organization	24, 64	
	302-3	Energy Intensity	24, 64	
	302-4	Reduction of energy consumption	25, 64	
	302-5	Reductions in energy requirements of products and services	25, 64	
	303-1	Interactions with water as a shared resource	26	
Water and Effluents	303-2	Management of water discharge-related impacts	26	
	303-3	Water withdrawal	63	
	303-4	Water discharge	63	Same as the amount of water intake
	303-5	Water consumption	63	
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	No relevant information due to the occupancy of the business premises within the national industrial complex.
	304-2	Significant impacts of activities, products, and services on biodiversity	-	No relevant information due to the occupancy of the business premises within the national industrial complex.
	304-3	Habitats protected or restored	-	No relevant information due to the occupancy of the business premises within the national industrial complex.
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	27	
Emissions	305-1	Direct (Scope 1) GHG emissions	24, 64	
	305-2	Energy indirect (Scope 2) GHG emissions	64	
	305-4	GHG emissions intensity	24	
	305-5	Reduction of GHG emissions	24, 64	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	63	
Waste	306-1	Waste generation and significant waste-related impacts	27	
	306-2	Management of significant waste-related impacts	27	
	306-3	Waste generated	27, 63	
	306-4	Waste diverted from disposal	27, 63	
	306-5	Waste directed to disposal	63	
Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	43-44	

GRI STANDARDS INDEX

Topic-specific Standards (Social Performance, GRI 400)				
Topic		Disclosure	Report Page	Remarks
Employment	401-1	New employee hires and employee turnover	35, 65	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	39	
	401-3	Parental leave	38, 65	
Occupational Health and Safety	403-1	Occupational health and safety management system	30, 32	
	403-2	Hazard identification, risk assessment, and incident investigation	32	
	403-3	Occupational health services	32	
	403-4	Worker participation, consultation, and communication on occupational health and safety	32	
	403-5	Worker training on occupational health and safety	31	
	403-6	Promotion of worker health	31-32	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	32	
	403-8	Workers covered by an occupational health and safety management system	-	Applicable to all employees
	403-9	Work-related injuries	32, 66	
Training and Education	404-1	Average hours of training per year per employee	65	
	404-2	Programs for upgrading employee skills and transition assistance programs	37-38	
	404-3	Percentage of employees receiving regular performance and career development reviews	36	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	53, 65	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	57	
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	No relevant business premises or suppliers
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	-	No relevant business premises or suppliers
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	No relevant business premises or suppliers
Human Rights Assessment	412-2	Employee training on human rights policies or procedures	56	
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	48-51, 66	
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	66	
	414-2	Negative social impacts in the supply chain and actions taken	43-44	
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	46	

TCFD (RESPONDING TO CLIMATE CHANGE)



EcoPro BM reviews the company's environmental management system according to the climate change response framework published by TCFD (Task Force on Climate-Related Financial Disclosures). We plan to disclose and implement climate change response activities based on governance, strategy, risk management, goals and indicators, following TCFD recommendations.



Governance

The role of the board and senior management in climate-related risks & opportunities

Establishment of Governance for Climate Change Response

EcoPro BM operates the ESG Committee chaired by an ESG expert to respond to climate change on account of business characteristics and increase prompt decision-making and commitment to climate change response. The ESG Committee conducts preliminary inspections & monitoring to respond to potential crises enterprise-wide.



Strategy

Risks & opportunities related to climate change in short & long terms, and their impact on an organization's business & finances

Establishment of Strategies to Respond to Climate Change

EcoPro BM has established response strategies according to risk factors & their impact on business to respond systematically to mid- to long-term climate change risks. We enhance implementation ability by establishing strategies & tasks at each stage by linking with corporate capabilities, such as setting carbon reduction targets and expanding eco-friendly energy by signing a PPA in Hungary.



Risk Management

Processes & methods for identifying, assessing, and managing climate change-related risks

Strengthening ESG Risk Management

We operate an integrated management system for risk reduction by analyzing transformation & physical risk factors related to climate change. The office of primary concern systematically manages risk management according to the policies approved by the board.



Goals and Indicators

Goals & indicators to assess climate change-related risks & opportunities

Achieving Carbon Neutrality by 2050

We have established step-by-step goals of achieving 50% carbon reduction by 2035 & carbon neutrality by 2050. We set and manage indicators for energy usage & GHG emissions every year, and disclose them transparently through an environmental information disclosure system.

THIRD PARTY ASSURANCE STATEMENT

Dear Stakeholders of ECOPRO BM

Korean Foundation for Quality (further 'KFQ') has been requested by ECOPRO BM to conduct an independent verification on the 「2022 Sustainability Report for ECOPRO BM」 (further 'the Report'). KFQ has responsibility to provide an independent verification opinion against the criteria and scope of verification as specified below. ECOPRO BM has sole responsibility for the preparation of the Report.

Verification Criteria and Scope

- **Verification Criteria** : AA1000AS(v3) and AA1000AP (2018)
- **Verification Type** : Type 1 [Verification of compliance of 4 reporting principles]
- **Verification Level** : Moderate [Verification based on limited evidence collected]
- **Verification boundary** : The performance and reporting practices of holding company, subsidiaries, related companies and business partners are included in this verification, but third parties beyond the scope of this verification specified in the report are not included.
- **Verification Scope** : Compliance with the 4 reporting principles (Inclusivity, Materiality, Responsiveness, Impact) according to AA1000AP and the GRI Standards 2021 reporting requirements
 - GRI Standards (2021) Reporting Principles
 - Universal Standards : Compliance of reporting requirement of the Report prepared with reference to the GRI Standards (2021)

Requirements	Compliance
Disclosure of GRI Index	○
Applying GRI standards	○
Notify GRI	○

- Specific Topic Standards

Requirements	GRI Standards/Topic Disclosure		
Reporting material issues according to the GRI Topic Standards	<ul style="list-style-type: none"> • GRI 201: Economic Performance • GRI 203: Indirect Economic Impacts • GRI 205: Anti-corruption 	<ul style="list-style-type: none"> • GRI 302: Energy • GRI 303: Water and Effluents • GRI 304: Biodiversity • GRI 305: Emissions • GRI 306: Waste • GRI 308: Supplier Environmental Assessment 	<ul style="list-style-type: none"> • GRI 401: Employment • GRI 403: Occupational Health and Safety • GRI 404: Training and Education • GRI 405: Diversity and Equal Opportunity • GRI 406: Non-discrimination • GRI 407: Freedom of Association and Collective Bargaining • GRI 408: Child Labor • GRI 409: Forced or Compulsory Labor • GRI 413: Local Communities • GRI 414: Supplier Social Assessment • GRI 416: Customer Health and Safety

Methodology

In order to assess the reliability of the sustainability performance in the Report against above mentioned criteria, the assessment team reviewed sustainability-related processes, systems, internal control procedures, and available performance data. The documentation the assessment team reviewed during the verification includes:

- Non-financial information e.g., data provided by ECOPRO BM, disclosed Business Reports, and information obtained from media and/or the internet; and
- Financial information i.e., Data disclosed in the electronic disclosure system (dart.fss.or.kr) of the Financial Supervisory Service and data posted on the homepage were used, but these contents are not included in the scope of verification.

The assessment was performed by document verification and interviewing the person in charge. The validity of the materiality assessment procedure in the report, the material issue selection considering stakeholders, the data collecting and management, and report preparation and contents in the Report were assessed through person in charge. but external stakeholder interviews were not conducted. Afterwards, it was confirmed that some errors, inappropriate information, and misstatement found in the above steps were appropriately revised before publishing the Report.

THIRD PARTY ASSURANCE STATEMENT

Competency and independence

The assessment team was consisted in accordance with KFQ's internal regulations. KFQ has no conflict of interest to the ECOPRO BM business which could threaten the impartiality of verification, other than providing third-party verification services.

Limitations

The completeness and responsiveness of sustainability performance represented in the Report have inherent limitations due to its nature and the methodology used to determine, calculate and estimate its performance. In accordance with the terms of the contract, we assessed the information and evidence provided by the ECOPRO BM. We did not perform any further assessment on raw data.

Findings and Conclusions

As a result of the verification, the Report was prepared in accordance with the requirements for 'report reference to GRI standard 2021' and the assessment team found reasonable objectives to guarantee the AA1000AS(V3) Type 1 assurance level. We also found no significant errors or inadequacies in the Report regarding compliance with reporting principles.

• Inclusivity

ECOPRO BM defines the 6 stakeholder groups (Shareholders and Investors, Customers, Local Communities, Partners, Government, Employees) and hears their opinions through the communication channels considering the characteristics of each group for effective communication. The assessment team could not find any major stakeholders that were omitted during this process, and it was confirmed that ECOPRO BM is making efforts to reflect the collected opinions of stakeholders in their management strategy.

• Materiality

ECOPRO BM has established a mid- to long-term ESG strategy and ESG management system and selected major initiatives to achieve ESG core goals by 2050. In addition, we confirmed that ECOPRO BM has plan to promote response activities focusing on the top 10 ESG material issues and will disclose the results transparently. In order to understand the internal and external stakeholders' interests and their impacts, ECOPRO BM selected 10 material issues out of 49 potential issues and evaluated the financial and non-financial impacts and stakeholder

impacts on each material issue.

The assessment team confirmed that the identified material issues were highlighted in the Report, and that the material issues identified in the materiality assessment process were reported in the Report without omission.

• Responsiveness

ECOPRO BM strives to respond in a timely manner to the needs and major concerns gathered from stakeholders. Nothing came to our attention to suggest that its responses and performance are inappropriately described in the Report.

• Impact

ECOPRO BM identifies and monitors the impact of material issues related to stakeholders throughout its management activities, and reported the contents within the scope possible. Nothing came to our attention to suggest that it does not properly assess and report impacts relating to material issues.

Recommendation for improvement

- ➔ This report highlights quantitative and qualitative ESG-related activities conducted by ESG committee especially actives and performance of occupational health and safety management.
- ➔ we expect ECOPRO BM to disclosure activities related to environmental management, especially the performance on goals set for climate change response. With this, we expect that stakeholders have a better understanding of ECOPRO BM's efforts towards ESG management.
- ➔ In addition, we expect ESG performance to be delivered to stakeholders in a more meaningful way to help understand ECOPRO BM's ESG related performance completely by efforts to interpret and analyze collected data from more diverse perspectives.

June, 2023
Seoul, Korea

Korean Foundation for Quality (KFQ) CEO | **Ji Young Song**

Ji Young Song



OUTSTANDING ACHIEVEMENTS AND AFFILIATED ASSOCIATIONS

Awards

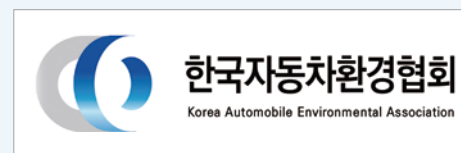
Date	Award Title	Awarding Organization
Apr. 2017	Selected as a "World-Class 300 Enterprise" (for EcoPro BM)	Ministry of SMEs & Startups
May 2017	Won the Jang Young-Shil Award (for EcoPro BM's Development Team)	Korea Industrial Technology Association
July 2017	Won the 2017 IR52 Jang Young-shil Award for NCA Cathode Materials	Korea Industrial Technology Association
Dec. 2017	Earned the Tower of USD 100-Million Exports Award on the 54th anniversary of Trade Day (for EcoPro BM)	Ministry of Trade, Industry & Energy Korea International Trade Association
Mar. 2018	Won the 2017 Best IR52 Jang Young-shil Award - EcoPro BM NCA034 Series Award (Prime Minister's Award)	Ministry of Science & ICT
Sept. 2018	Selected as the Leading Resource Circulation Company on the 10th Resource Circulation Day (for EcoPro BM) (Prime Minister's Award)	Ministry of Environment
Oct. 2018	Honored at the Energy Plus 2018 Opening Ceremony with an Award for Individuals of Merit (recipient Choi Moon-ho, CTO) (Prime Minister's Award)	Ministry of Trade, Industry & Energy
Nov. 2018	2018 Leading Korea, Job Festival - World Class 300 & commendation for project merit (from the Minister of Industry, Trade & Energy Award)	Ministry of Trade, Industry & Energy
Dec. 2018	Earned the Tower of USD 300-Million Exports Award on the 55th Trade Day (for EcoPro BM)	Ministry of Trade, Industry & Energy Korea International Trade Association
June 2019	Won the 11th Korea KOSDAQ Grand Award (for EcoPro BM) as the Best Enterprise for Job Creation	KOSDAQ-Listed Companies Association
Oct. 2019	2019 Electrical Devices, Smart Grid, Secondary Battery Award Ceremony - Yu Hyeon-jong, Manager, EcoPro BM Development Team 1 (from the Minister of Industry, Trade & Energy Award)	Ministry of Trade, Industry & Energy
Dec. 2019	Earned the Tower of USD 500-Million Exports Award on the 56th anniversary of Trade Day (for EcoPro BM)	Ministry of Trade, Industry & Energy Korea International Trade Association
Dec. 2019	Won the "Top Company in Investment Promotion Gyeongsangbuk-do 2019" Award (for EcoPro BM).	Gyeongsangbuk-do
Dec. 2019	Won the 2019 Job Creation Merit Government Award (for EcoPro BM) (Minister of Employment & Labor Award).	Ministry of Employment & Labor
July 2020	Selected as the "2020 KOSDAQ Rising Star Company".	Korea Exchange
Oct. 2020	Won the Excellence Award for the KOSDAQ Market at the 2020 Korea IR Grand Awards.	Korea IR Council

Date	Award Title	Awarding Organization
Dec. 2020	Won the Best Transparent Management Award at the 12th Korea KOSDAQ Grand Awards.	Financial Supervisory Service
Jan. 2021	Selected as the Best Company in Materials, Parts & Equipment by the Ministry of Trade, Industry & Energy.	Ministry of Trade, Industry & Energy
June 2021	Selected as the "2021 KOSDAQ Rising Star Company".	Korea Exchange
Oct. 2021	Won the 2021 Korea IR Grand Awards Excellence Award.	Korea IR Service
Nov. 2021	Selected as an "Excellent Quality Management Company".	Chungcheongbuk-do
Nov. 2021	Won the Minister of Environment Award (recipient Park Seok-hoe, Executive Vice President of Environmental Safety Division).	Daegu-Gyeongbuk Chemical Safety Community
Dec. 2021	Won the Chungbuk Regional Human Resources Development Grand Award	Chungcheongbuk-do
Dec. 2021	Earned the Tower of USD 800-Million Exports Award on the 58th anniversary of Trade Day.	Ministry of Trade, Industry & Energy Korea International Trade Association
Dec. 2022	Earned the Tower of USD 1-Billion Exports on the 59th anniversary of Trade Day	Ministry of Trade, Industry & Energy Korea International Trade Association

Certifications

Category	Certification	Business Site
Environmental Management	ISO14001	-
Occupational Health & Safety Management	ISO45001	-
Quality	IATF16949	Ochang Plant
Quality	IATF16949	Pochang Plant

Status of Affiliations



Korea Automobile Environmental Association K-EV100



Korea Energy Agency New and Renewable Energy K-RE100

EcoPro ***BM***