



# ISO 26000 Policy and Implementation Verification Statement

To stakeholders of VITZRO CELL Co., Ltd.

## **Introduction**

Korea Management Registrar (KMR) was engaged to conduct an ISO 26000 Policy and Implementation Verification of VITZRO CELL. The verification was based on the social responsibility guidelines provided by the international standard ISO 26000. As a result of this verification, KMR is submitting a Policy and Implementation Verification Statement regarding the processes and performance of sustainable management.

## **Subject Matter**

The Verification boundaries included the Self-assessment based on ISO 26000 and related evidences.

## **Related Standard**

- ISO 26000:2010
- KS A ISO 26000:2012 Guidance on social responsibility

## **Verification Criteria**

KMR conducted the verification in accordance with ISO 26000. The verification criteria included confirming the relevance of the core subjects and issues of ISO 26000 and the detailed indicators are follows.

- Process on social responsibility
- Core subjects and issues
  - Core Subject 1: Organizational Governance
  - Core Subject 2: Human Rights
  - Core Subject 3: Labor Practices
  - Core Subject 4: The Environment
  - Core Subject 5: Fair operating practices
  - Core Subject 6: Consumer issues (Except general perspective requirement )
  - Core Subject 7: Community involvement and development

## **Scope of Verification**

This verification was conducted with a focus on the management system and activities of VITZRO CELL and may encompass relevant stakeholders according to the characteristics of each core subjects. The assessment was carried out from July 1 to July 31, 2024, and the ESG activities and performance data included are limited to the information available at the time of the assessment. Quantitative information covers data from the most recent three years—2021, 2022, and 2023. Qualitative activities include data from 2024, considering the timeliness of the results.

## **Verification Methodology**

The verification was based on the Korean self-assessment checklist developed by the Korean Agency for Technology and Standards in accordance with ISO 26000. KMR analyzed the characteristics of VITZRO CELL's business and activities, identified their relevance to the seven core subjects and issues outlined by ISO 26000. Based on analysis, KMR determined the unique assessment items applicable to the organization and conducted an assessment of their implementation level. Additionally, to evaluate whether the seven core subjects and issues are being appropriately and effectively addressed across the organization, KMR examined internal practices related to social responsibility from a process perspective. The reliability of the results was ensured through VITZRO CELL's self-assessment, expert evaluation, and on-site verification.

## **KMR's Competence, Independence, and Quality Control**

Korea Management Registrar (KMR) is a verification body accredited by the Korea Laboratory Accreditation Scheme (KOLAS) under the National Institute of Technology and Standards of Korea for ISO/IEC 17029:2019 (Conformity Assessment - General principles and requirements for validation and verification bodies), ISO 14067, and additional accreditation criteria, ISO 14065. It is also recognized by the Korea Accreditation Board (KAB) for ISO/IEC 17021:2015 (Requirements for bodies providing audit and certification of management systems). Additionally, KMR maintains a comprehensive quality control system that includes documented policies and procedures of the KMR EDV 01:2024 (ESG Disclosure Verification System) based on ISO/IEC 17029 requirements. Our verification team consists of sustainability experts. Other than providing an independent verification, KMR has no other contract with VITZRO CELL and did not provide any services to VITZRO CELL that could compromise the independence of our work.

## **Limitation of Verification**

The verification was conducted to a limited extent through inquiries, analysis, and limited sampling based on the assumption that the data and information provided by VITZRO CELL is complete and sufficient. The absence of generally accepted reporting frameworks or well-established practices on which to draw to evaluate and measure non-financial information allows for different measures and measuring techniques, which can affect comparability between entities. Therefore, our verification team relied on professional judgment. Due to the limited scope regarding the subject, timing, and the qualitative opinions of experts, there may be some bias in the results. Additionally, direct comparisons of the verification results with those of other organizations may lead to significant distortions.

ISO 26000 is a guidance standard for voluntary implementation by companies and is not a certification scheme.

## **Limitation of Use**

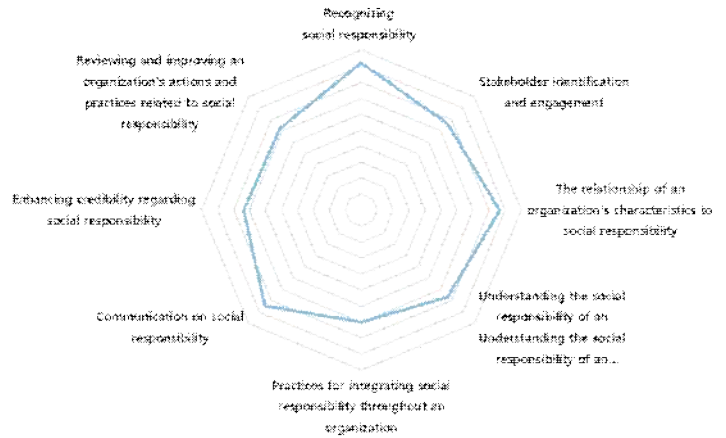
This verification statement is made solely for the management of VITZRO CELL for the purpose of enhancing an understanding of the organization's sustainability performance and activities. We assume no liability or responsibility for its use by third parties other than the management of VITZRO CELL. The statement is valid as of the verification date below. Certain events that may occur between the verification date and the time of reading this report could have a material impact on the report, which may lead to revisions to this verification statement. Therefore, we recommend visiting the VITZRO CELL website and verifying whether this is the latest version.

## Verification and Opinion

The Korea Management Registrar (KMR) has assessed and evaluated the management level of VITZRO CELL according to the agreed-upon assessment verification scope and the verification criteria described above. The company's management level was scored at 851.4 points out of a possible 1,000 points, placing it in the 4th stage (Excellent Grade) out of the 1 to 4 stages.

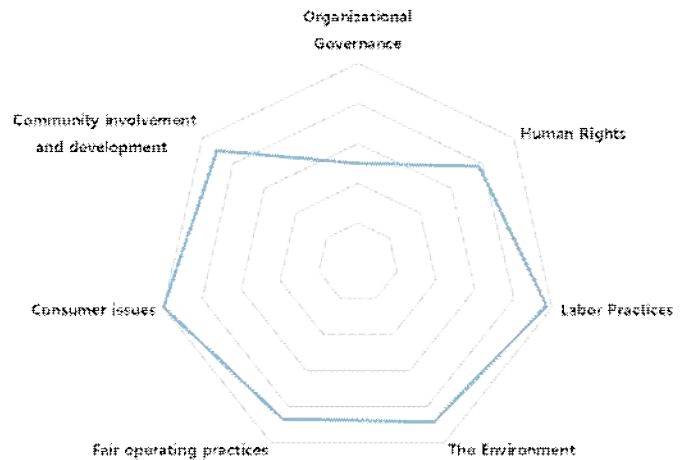
### <Process on social responsibility>

Category	Scoring	Score	Converted
<b>Total</b>	<b>360</b>	<b>284</b>	<b>3.94</b>
Recognizing social responsibility	50	46	4.60
Stakeholder identification and engagement	60	40	3.83
The relationship of an organization's characteristics to social responsibility	30	25	4.33
Understanding the social responsibility of an organization	60	46	3.83
Practices for integrating social responsibility throughout an organization	40	38	3.50
Communication on social responsibility	40	34	4.25
Enhancing credibility regarding social responsibility	30	22	3.67
Reviewing and improving an organization's actions and practices related to social responsibility	50	35	3.60



### <Core subjects and issues>

Category	Scoring	Score	Converted
<b>Total</b>	<b>640</b>	<b>567.4</b>	<b>4.43</b>
Organizational Governance	20	10.0	2.50
Human Rights	116	90.0	3.88
Labor Practices	128	123.9	4.84
The Environment	140	123.5	4.41
Fair operating practices	76	66.0	4.34
Consumer Issues (Except general perspective requirement.)	96	96.0	5.00
Community involvement and development	64	58.0	4.53



#### **Core Subject 1: Organizational Governance**

VITZRO CELL needs to establish a governance foundation and strategic framework for corporate social responsibility management. KMR recommend that VITZRO CELL set ESG management goals and operate a C-level committee and implementation department to ensure their execution.

**Core Subject 2: Human Rights**

VITZRO CELL is currently implementing human rights initiatives, such as operating a labor-management committee to protect employees' rights, including provisions in employment rules that prohibit discrimination, and conducting mandatory legal training to prevent workplace harassment. Furthermore, to ensure that illegal child labor does not occur in its business activities, VITZRO CELL has established strict policies and plans to conduct on-site inspections in the future. Additionally, due to the nature of the manufacturing industry, VITZRO CELL operates an on-site grievance handling system to address the concerns of on-site workers.

To establish a more systematic approach to human rights management, VITZRO CELL should develop policies and regulations, and conduct human rights impact assessments and due diligence to regularly evaluate its management practices. Furthermore, it will be important to promote human rights management among its business partners and suppliers.

**Core Subject 3: Labor Practices**

VITZRO CELL is diligently operating its business in compliance with the Labor Standards Act and government guidelines. The company runs a labor-management committee to secure the rights of its employees and strives to achieve work-life balance through various welfare programs. Additionally, VITZRO CELL has obtained a safety and Occupational Health and Safety Management system to protect its workers in business operations and is actively promoting safety and health activities centered around its workplaces.

VITZRO CELL needs to enhance diversity and social equity among its employees, including increasing the recruitment of women and individuals with disabilities. Furthermore, the company should create accident-free workplaces by reinforcing industrial safety measures and expanding safety management practices throughout its supply chain.

**Core Subject 4: The Environment**

VITZRO CELL is identifying and managing the negative environmental impacts and risks associated with its business activities and is establishing systems to address them. The company has also developed an internal greenhouse gas accounting framework to lay the foundation for reducing emissions in response to climate change. Furthermore, VITZRO CELL operates the Association for neighboring companies, government bodies, and local authorities to facilitate communication and collaboration on the environmental impacts of its operations.

As the company continues to grow, VITZRO CELL should refine its environmental goals and management systems to systematically manage energy use and greenhouse gas emissions. It is also recommended to implement waste lithium recycling initiative to establish a circular economy system, thereby improving resource recycling and reuse rates and further reducing negative environmental impacts.

### **Core Subject 5: Fair operating practices**

VITZRO CELL has established an ethical management policy published on its website to declare the company's commitment to ethical management to various stakeholders. The company provides ethical training and requires its partners to sign an ethics pledge. It also conducts annual ESG audits to assess ethics and anti-corruption practices among its partners. This helps to promote the value of fair operations throughout the VITZRO CELL's value chain.

In addition to institutionalizing ethical management, VITZRO CELL is encouraged to strengthen its implementation by reviewing the establishment of an ethics and integrity monitoring system. Ultimately, it is recommended that the company obtain an Anti-bribery Management system.

### **Core Subject 6: Consumer issues**

VITZRO CELL operates as a B2B company, conducting business with other enterprises, and adheres to relevant laws and practices related to fair marketing, information disclosure, and communication. The company also ensures the safe use of its products by customers by meeting product safety testing, examination, and certification requirements.

### **Core Subject 7: Community involvement and development**

VITZRO CELL's community contribution activities are driven by identifying stakeholder needs and engaging in communication to carry out a wide range of activities that align with the local community's requirements. The company is also working to implement effective and systematic activities by establishing social contribution KPIs.

It is recommended that VITZRO CELL form a local committee to understand the community's needs and issues, and to develop effective plans that can address real problems. Additionally, considering the company's characteristics, it is advisable to elevate VITZRO CELL's social contribution programs from being short-term and one-off initiatives to more strategic and impactful social contributions.

## **Conclusion**

VITZRO CELL's organizational members are highly aware of social responsibility, and its operational systems, policies, and practices are well-established. This positions the company in a phase where it needs to continue promoting social responsibility within its sphere of influence and strengthen its ties with the local community for ongoing maintenance and development. To advance further from the current level, it is recommended that VITZRO CELL define the roles within its ESG management governance and establish a corporate ESG roadmap with annual performance reviews. Additionally, it is advised that the disclosure of ESG goals and achievements be enhanced by actively publishing a sustainability report and updating information on the company's website, providing stakeholders with comprehensive insights into its ESG initiatives and progress.

August 16, 2024



C.E.O. *E. J. Hwang*